

ROBERT C. FUNKHOUSER

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July 16, 2003

VIA FEDEX

Eileen L. Furey Associate Regional Counsel (C-14J) U.S. Environmental Protection Agency, Region 5 77 West Jackson Boulevard Chicago, Illinois 60604-3507

Re: Response (the "Response") on behalf of International Paper to the United States Environmental Protection Agency's Request for Information (the "Request") in the Matter of the Allied Paper/Portage Creek/Kalamazoo

River, Kalamazoo and Allegan Counties, Michigan (the "Site")

Dear Ms. Furey:

On behalf of International Paper Company ("Respondent"), attached please find the Response to the EPA's Request for Information referenced above (the "Request"). The Request identified the following three facilities: (i) Fountain Street Mill; (ii) Angel Street Mill; and (iii) MacSimbar facility in Otsego, Michigan. Accordingly, International Paper's investigation and response is limited to the above referenced facilities. In responding to this Request, International Paper does not concede that it or the Fountain Street Mill, Angel Street Mill or the MacSimbar facility are "responsible persons" under RCRA or CERCLA.

International Paper has conducted a due inquiry and provides herein all known responsive information reasonably available at this time. Accordingly, this Response represents International Paper's complete response to the Request. Notwithstanding, and subject to International Paper's objections set forth in the General Objections to the request herein, International Paper recognizes its continuing obligation of due diligence, and reserves the right to modify or supplement its answers if it becomes aware of other relevant information or any responsive documents.

Very truly yours,

Robert C. Funkhouser

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Enclosures RCF/mmb

RESPONSE (THE "RESPONSE") ON BEHALF OF INTERNATIONAL PAPER TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY'S REQUEST FOR INFORMATION IN THE MATTER OF ALLIED PAPER/PORTAGE CREEK/KALAMAZOO RIVER IN KALAMAZOO AND ALLEGAN COUNTIES, MICHIGAN.

GENERAL OBJECTIONS

International Paper objects to the Request as a whole on the grounds that it is unduly burdensome, unreasonably broad and seeks information that is not relevant to the EPA's basic inquiry.

International Paper further objects to the instructions purporting to impose on International Paper an obligation of indefinite duration to supplement its Response should any information not personally known or available to it become known or available at any time in the future. International Paper contests EPA's authority to impose such an undue and continuous burden upon the Company. Should the EPA make a specific request for supplementation at any time after receiving this response, International Paper shall endeavor to respond.

Subject to and without waiver of these objections, International Paper responds as follows:

Fiber Furnish and Paper Production

1. Identify all persons consulted in the preparation of the answers to these Information Requests.

Response:

International Paper incorporates by reference the General Objections and specifically objects to Request No. 1 as vague. Subject to and without waiver of these objections, International Paper responds that the following current International Paper employees were consulted in preparing this response:

Anita Todmann, Manager, Records & Information Management Tom Richardson, Project Manager, EHS Remediation

2. Identify all documents consulted, examined, or referred to in the preparation of the answers to these Requests, and provide copies of all such documents.

Response:

International Paper incorporates by reference the General Objections and specifically objects to Request No. 2 as unduly burdensome and vague. International Paper further objects to Request No. 2 as seeking information in the form of documents which were "examined" in the course of International Paper's due diligence in preparation of this Response, but which contain no information concerning the Site; therefore, the request to "identify" such documents is overbroad and not reasonably relevant to the EPA's basic inquiry.

Subject to and without waiver of these objections, International Paper identifies the following responsive documents:

- A. 1984 Waste Disposal Manifest ChemWaste Management
- B. Contract with ChemWaste to receive spent solvents from folding carton plant. April 13, 1983.
- C. Contract with ChemWaste Management to dispose of 3 drums/yr liquid PCB to incinerator 1983.
- D. National Cash Register Champion Agreements (1972)
- E. Purchase Records titanium dioxide for several mills including Battle Creek, Michigan from DuPont.
- F. Wastewater effluent from Angell and Fountain Mills in Battle Creek, Michigan for 1983
- 3. If you have reason to believe that there may be persons able to provide a more detailed or complete response to any Information Request or who may be able to provide additional responsive documents, identify such persons.

Response:

International Paper has not discovered information or individuals responsive to Request No. 3.

4. Identify and generally describe each International Paper mill, as that term is defined in Attachment 5.

Response:

Fountain Street Mill (Folding Carton and Paperboard Mill) 79 East Fountain Street Battle Creek, Michigan

Angell Mill (Recycled Paperboard Mill) 177 Angell Street Battle Creek, Michigan

- 5. Identify all current and prior owners of each International Paper mill identified in response to Request #4. For each such owner or prior owner, further identify:
 - a) the property owned;
 - b) the dates of ownership;
 - c) all evidence showing that the owner controls or controlled access to any portion of the property;
 - d) all evidence that a hazardous substance, pollutant, or contaminant, was released or threatened to be released at or from the owner's property during the period of its ownership; and
 - e) the nature of each transaction by which ownership of the mill was transferred from one party to another (e.g. stock purchaser, merger, asset sale, etc.)

Response:

International Paper incorporates by reference the General Objections and specifically objects to Request No. 5 as vague, unduly burdensome and not relevant to the EPA's basic inquiry. Subject to and without waiver of these objections, International Paper responds that the following information regarding current and prior owners is as follows:

St. Regis Corporation was the previous owner of the mills located on Fountain Street and Angell Street. St. Regis Corporation has subsequently sold both mills. Fountain Street was sold to Field Container on April 5, 1984. Angell Street was sold to Waldorf Corporation on July 16, 1985.

- 6. Identify all current and prior operators, including lessors, of each International Paper mill identified in response to Request #4, or any portion thereof. For each such operator, further identify:
 - a) the property at which it conducts or conducted operations;
 - b) the dates of operation;
 - c) the nature of the operator's operations;
 - d) all evidence that the operator controls or controlled access to the property or any portion thereof; and
 - e) all evidence that a hazardous substance, pollutant, or contaminant was released or threatened to be released at or from the portion of the property at which the operator conducts or conducted operations.

Response:

See Response to Request 5.

- 7. Identify each source or potential source of the release of hazardous substances, pollutants, or contaminants (e.g. polychlorinated biphenyls or "PCBs") from the International Paper mill including, without limitation:
 - a) discharges of total suspended solids ("TSS") in wastewater;
 - erosion from waste disposal areas located at the International Paper mill or elsewhere (e.g. landfill areas) used for the disposal of wastes generated at the International Paper mill;
 - c) exceedances of TSS loading limits established by the State of Michigan and/or U.S. EPA;
 - d) dewatering lagoon areas located at the International Paper mill;
 - e) storm sewer leaks and discharges;
 - f) sewer line leaks and discharges: and
 - g) machine, transformer or other equipment leaks and discharges.

Response:

See Response to Request No. 2 and attachment F referring to solids in 1983.

8. Identify any data, analysis or other information regarding the nature and quantity of hazardous substances released from each source or potential source you identified in response to Request #7, above. To the greatest extent possible, identify any such data, estimates, analyses or other information on an annual basis from 1954 through 1989.

Response:

See Response to Request No. 2 and attachment F.

9. For the period 1954 to 1989, identify for each year the types and amounts of fiber furnish used at each International Paper mill in tons. Fiber furnish may include, but is not limited to, old corrugated container (OCC); double-lined kraft (DLK); paperboard; mixed waste paper; fine paper, bond, ledger, envelopes; old newsprint (ONP); pulp substitutes (specify type and source), purchased secondary fiber pulp (specify source); and virgin pulp (specify type).

Response:

International Paper has not discovered any information responsive to Request No. 9.

10. For the period 1954 to 1989 and for each International Paper mill, identify the types and amounts of paper products produced annually in tons.

Response:

International Paper has not discovered any information responsive to Request No. 10.

11. For each paper product identified in response to Request #10, identify calculated shrinkage (i.e., yield on fiber furnish) for each paper product on an annual basis. If not available, identify typical or estimated shrinkage for each paper product.

Response:

International Paper has not discovered any information responsive to Request No. 11.

12. Identify, for each International Paper mill, the annual operating days per year.

Response:

International Paper objects to Request No. 12 as unduly burdensome, overbroad and not reasonably related to EPA's basic inquiry. Subject to and without waiver of these objections, International Paper responds upon information and belief that, during the year 1983 St. Regis Corporation operated the Fountain Street Mill for 286 days and the Angell Street Mill for 309 days. See attachment F.

13. For the period 1954 through 1971, identify the dates (month and year) and amounts in pounds of NCR paper broke that you purchased directly or otherwise obtained from any of the sources listed in Attachment 2, or from any other NCR paper coating facility.

Response:

International Paper has not discovered any information responsive to Request No. 13.

14. For the period 1954 through 1971, identify the dates (month and year) and amounts in pounds of NCR paper broke and/or NCR paper converter trim you purchased or otherwise obtained directly from or through any waste paper broker listed in

Attachment 3, or from any other person. Identify, to the extent possible, the name and address of the waste paper broker or other person from whom the NCR paper broke and/or NCR paper converter trim was obtained or purchased.

Response:

International Paper has not discovered any information responsive to Request No. 14.

15. For the period 1954 through 1989, identify the dates (month and year) and amounts in pounds of post-consumer waste paper that you purchased or otherwise obtained directly from or through any waste paper broker listed in Attachment 3, or from any other person. To the extent possible, identify the name and address of the waste paper broker or other person from whom the post- consumer waste paper was purchased or otherwise obtained.

Response:

International Paper has not discovered any information responsive to Request No. 15.

16. To the extent available and not otherwise identified in response to Requests #14-15 above, identify the current names, addresses and phone numbers for all waste paper brokers or other person from whom you purchased or otherwise obtained any type of secondary fiber during the period 1954 to 1989.

Response:

International Paper has not discovered any information responsive to Request No. 16.

Process Water Management; Wastewater Treatment; Wastewater Sludge Disposal

17. For the period 1954 to 1989 and for each International Paper mill, identify the dates (month and year) when save-alls were installed and/or upgraded on each paper machine at the mill.

Response:

International Paper has not discovered any information responsive to Request No. 17.

18. For each save-all identified in response to Request #17, specify the type of each save-all and the estimated efficiency of fiber recovery in percent.

Response:

International Paper has not discovered any information responsive to Request No. 18.

- 19. For the period 1954 to 1989 and on an annual basis, identify the volume and disposition of each of the wastewater streams generated at each International Paper mill (e.g., discharged directly to a receiving water with or without treatment; discharged indirectly through a municipal sewerage system; or discharged to an off-site industrial wastewater treatment system), including but not limited to:
 - Pulping and/or drinking wastewaters

- Paper machine whitewaters
- Other process and non-process wastewaters (Identify.)

(Reported volumes of the process wastewaters should be specified in either gallons per minute (gpm), gallons per day (gpd), or million gallons per day (mgd).)

Response:

See Response to Request No. 7.

20. For the period 1954 to 1989 and on an annual basis, for each of the process wastewater streams identified in response to Request #19, identify the type(s) of onsite wastewater treatment, if any, provided (e.g., settling lagoons, primary treatment in clarifiers, secondary biological treatment; advanced wastewater treatment). Provide schematic diagrams of the wastewater treatment facilities and monthly wastewater treatment system operating data for bypassed flow (i.e., untreated or partially treated wastewaters), treated effluent flow and untreated and treated wastewater total suspended solids (TSS) concentrations and mass discharges (e.g., pounds per day).

Response:

International Paper incorporates by reference the General Objections and specifically objects to Request No. 1 as vague. Subject to and without waiver of these objections, International Paper responds that a thorough search of files pertaining to the period 1954 to 1989 was performed to discover information related to Request No. 20.

International Paper has not discovered any information identifying the wastewater treatment system utilized during the period of 1954 to 1989.

21. For the period 1971 to 1989 and on an annual basis, identify the amount in dry tons of wastewater treatment sludge generated at each International Paper mill and the disposition of the sludge (e.g., disposed in on-site or off-site landfills).

Response:

International Paper has not discovered any information responsive to Request No. 21.

22. Identify the name and location of any facility used for the disposal of wastewater treatment sludge generated at each International Paper mill.

Response:

International Paper has not discovered any information responsive to Request No. 22.

23. Identify any data, analyses or other information regarding potential erosion of waste materials from any lagoon, landfill or other disposal facility identified in your response to Requests #19-22.

Response:

International Paper has not discovered any information responsive to Request No. 23.

Information Regarding PCBs

- 24. For each International Paper mill, provide copies of all reports, data or other records showing PCB concentrations in the following materials:
 - · Fiber furnishes used at the mill
 - Paper products produced at the mill
 - · Untreated and treated wastewaters generated at the mill
 - · Wastewater treatment sludges generated at the mill
 - Atmospheric emissions from the mill
 - Machine, transformer or other oils used at the mill

Response:

See Response to Request No. 2, attachments A, B and C.

25. Provide copies of all reports, data or other records in your possession, whether generated by International Paper or its consultants, generated by paper industry trade associations and/or research organizations, or generated by government agencies and organizations, showing PCB concentrations in the following materials: secondary fibers used as furnishes to secondary fiber pulp and paper mills; pulp substitutes; virgin pulps; any paper mill products, (e.g., paper, paperboard, tissue); process wastewaters; wastewater treatment sludges; atmospheric emissions, or other materials associated with the pulp and paper industry.

Response:

International Paper has not discovered any information responsive to Request No. 25.

CERTIFICATION

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision and that qualified personnel properly gathered and evaluated the information submitted. Based upon a reasonable inquiry of the person or person who manage the information system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Robert C. Funkhouser

Chief Counsel - Environment, Health,

Safety & Global Sourcing

$\underline{S} \ \underline{E} \ \underline{T} \ \underline{T} \ \underline{L} \ \underline{E} \ \underline{M} \ \underline{E} \ \underline{N} \ \underline{T} \qquad \underline{A} \ \underline{G} \ \underline{R} \ \underline{E} \ \underline{E} \ \underline{M} \ \underline{E} \ \underline{N} \ \underline{T}$

THIS AGREEMENT, made and entered into effective

July 1, 1972, by and between THE NATIONAL CASH REGISTER COMPANY,

a Maryland corporation, having an office in Dayton, Ohio,

hereinafter called "NCR", and CHAMPION INTERNATIONAL CORPORATION,

a New York corporation, having an office in New York City,

New York, hereinafter called "CIC",

WITNESSETH that:

WHEREAS, NCR is the owner of United States Letters

Patent Re. 24,899 and No. 2,712,507 and NCR is engaged in the

manufacture of microcapsules which NCR believes to be disclosed

and claimed in said Patent Re. 24,899 and in the manufacture

and sale of sheet material (sometimes referred to as "NCR

paper") which NCR believes to be within one or more of the

claims of said patent No. 2,712,507; and

WHEREAS, there is pending in the United States

District Court for the Southern District of Ohio (Western

Division), Cincinnati, Civil Action No. 7243, filed by NCR

against U.S. Plywood-Champion Papers Inc. (by name change, now

"CIC") alleging that the manufacture by CIC of microcapsules

and the use thereof in the manufacture of carbonless copy

paper, and the manufacture, use and sale by CIC of carbonless copy paper, infringes one or more of the claims of said United States Letters Patent Re. 24,899 and No. 2,712,507; and

WHEREAS, NCR and CIC mutually desire to enter into this Agreement relative to the rights and obligations of each party under the following patents which NCR represents that it owns:

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Canadian 555,387

9.3.8.80 U.S. Re. 24,899

Ë1.

Canadian 571,161

73 U.S. 2,730,457

Canadian 555,386

hereinafter called "Identified Patents", and to dismiss said Civil Action No. 7243:

NOW THEREFORE, in consideration of the premises and the mutual and reciprocal promises, covenants and agreements hereinafter set forth, the parties have agreed and do hereby agree as follows:

ARTICLE I

Judgment, Release and Stipulations

1. NCR and CIC agree to dismiss their respective claims in the aforesaid Civil Action No. 7243, without prejudice, and the parties mutually agree to the entry of a judgment in the form attached hereto as Exhibit A.

- 2. In consideration of the payment by CIC to NCR as provided in Article III hereof and upon execution of this Agreement, NCR releases CIC from all claims of NCR against CIC in relation to Carbonless Copy Paper as hereinafter defined, under all the Identified Patents during the entire life of all Identified Patents.
- For purposes of this Agreement, the parties stipulate and agree that CIC's entering into this Agreement does not constitute an admission by CIC that the Identified Patents are valid or have been infringed by CIC, and further that in the event of any future controversy between the parties hereto involving any NCR patents whatsoever, NCR is willing to and agrees that it will rely entirely on the merits of its patents and will not assert or urge therein that CIC's freedom to assert any position against any NCR patent is in any way or in any degree abridged or impaired by reason of CIC's entering into this Agreement or by reason of CIC's exercise of any right or performance of any duty herein provided, and that in any such controversy CIC shall be free to challenge the validity and scope of, and to assert the non-infringement of, any claim of any Letters Patent of NCR.

ARTICLE II

Definitions

- 1. The term "Carbonless Copy Paper" means both transfer paper and self-contained paper defined as follows:
 - (a) Transfer Paper: A multi-sheet material, such as paper, which has on or adjacent a surface of one such sheet microcapsules containing a color reactant for transfer to a second sheet carrying a co-reactant for said color reactant to form a legible mark on said second sheet when said sheets are superimposed, one on the other, in such manner that at least some of the microcapsules of one sheet are in proximity with at least some of the co-reactant material of said second sheet, and pressure is applied as by a typewriter sufficient to rupture the microcapsules. (When such pressure is applied, a legible mark appears on the surface of the sheet carrying the co-reactant material.)
 - (b) Self-Contained Paper: Material, such as a sheet of paper, upon or in which microcapsules containing a color reactant are in proximity with co-reactant material (e.g., a finely divided solid material), both reactants being present as a part

of the sheet whether with one or both reactants being incorporated within the sheet or coated on the surface thereof; the color reactant and the co-reactant material being reactive with each other so that, when the microcapsules are ruptured by pressure applied to the sheet, as by typewriter, the color reactant is released and reacts with the co-reactant material to form a legible mark.

- 2. The term "Net Sales Value" means the summation of all amounts invoiced and billed to purchasers with respect to Carbonless Copy Paper sold by CIC, less any transportation costs actually paid by CIC and less any cash discount actually given and less any sales taxes added on the face of the invoice and paid by CIC and less credit for returns, allowances, and bad debts.
- 3. The term "Affiliate" of CIC means any corporation, firm, partnership or other form of business organization located in the United States of America or Canada, as to which control of the business shall be exercised by CIC. In the event CIC shall transfer or sell Carbonless Copy Paper to such an Affiliate, the subsequent sale thereof by such an Affiliate shall be considered as a sale thereof by CIC for purposes of determining Net Sales Value.

ARTICLE III

Payment by CIC to NCR

- 1. CIC agrees to pay to NCR and concurrently with execution hereof does pay to NCR an amount which is the sum of royalty on Net Sales Value of all Carbonless Copy Paper made by CIC in the United States or Canada and sold by CIC anywhere, as follows:
 - (a) For sales prior to December 31, 1970, five percent (5%); and
 - (b) For sales in the period January 1, 1971 through June 30, 1972, inclusive, four percent (4%).

No royalty is or shall be due for paper sold or delivered after June 30, 1972 or for Carbonless Copy Paper used or consumed or merely inventoried by CIC.

2. CIC warrants that prior to July 1, 1972, it has not sold Carbonless Copy Paper in the United States which was made outside the United States.

ARTICLE IV

NCR Covenant Not to Sue

1. In consideration of CIC's having made payments as provided in Article III, NCR covenants and agrees that, with respect to the manufacture, sale or use of Carbonless

Copy Paper at any time made, used or sold by CIC in the United States of America or Canada, NCR:

- (a) Will at no time bring or authorize the bringing of any civil action for infringement of any of the Identified Patents against CIC or any of its Affiliates or customers; and
- (b) Warrants that no other party who claims title or other right to sue by, through or under NCR will bring or authorize the bringing of any civil action for infringement of any of the Identified Patents against CIC or any of its Affiliates or customers; and NCR indemnifies CIC against any and all costs, expenses, fees, losses, and/or liabilities which may arise out of any suit by any party against CIC or its Affiliates or customers under any of the Identified Patents, if the claimant in such suit claims title or other right to sue by, through or under NCR.
- 2. Except for the release under Section 2 of
 Article I hereof, nothing in this Agreement is to be taken to
 imply any covenant or any grant by NCR of any license or
 immunity with respect to any patent of NCR other than the
 Identified Patents or with respect to the manufacture, use,

or sale of any product other than Carbonless Copy Paper that is subject to the covenant of Section 1 of this Article IV.

Further, nothing herein shall be construed as any estoppel against, or used by NCR as an argument or bias against,

CIC's assertion of invalidity or non-infringement of or any other attack upon any or all NCR patents if and when an NCR patent shall be asserted against CIC. Specifically, NCR does not construe this Agreement or anything herein as evidence that CIC ever has used a process including coacervation.

ARTICLE V

Audit

Upon NCR's election and at NCR's expense, within six (6) months after the effective date of this Agreement, CIC will afford an audit of its books and records to verify the accuracy of the amount of the royalty payment under Article III hereof. This audit will be conducted by an independent, national accounting firm, not otherwise employed by NCR, and acceptable to CIC. This audit shall be conclusive of the amount of royalty payment under Article III and shall be binding upon each party hereto.

ARTICLE VI

Non-Use of Agreement for Publicity

Neither party hereto shall use this Agreement, the Order attached hereto, or the fact of such Agreement and/or

Order for advertising or publicity purposes, or cause the use thereof for such advertising or publicity purposes, either directly or indirectly.

ARTICLE VII

Assignment

Rights and obligations of either party under this Agreement are not transferable except with the consent in writing of the other party and except to a purchaser of substantially all of the assets of the paper business of the party.

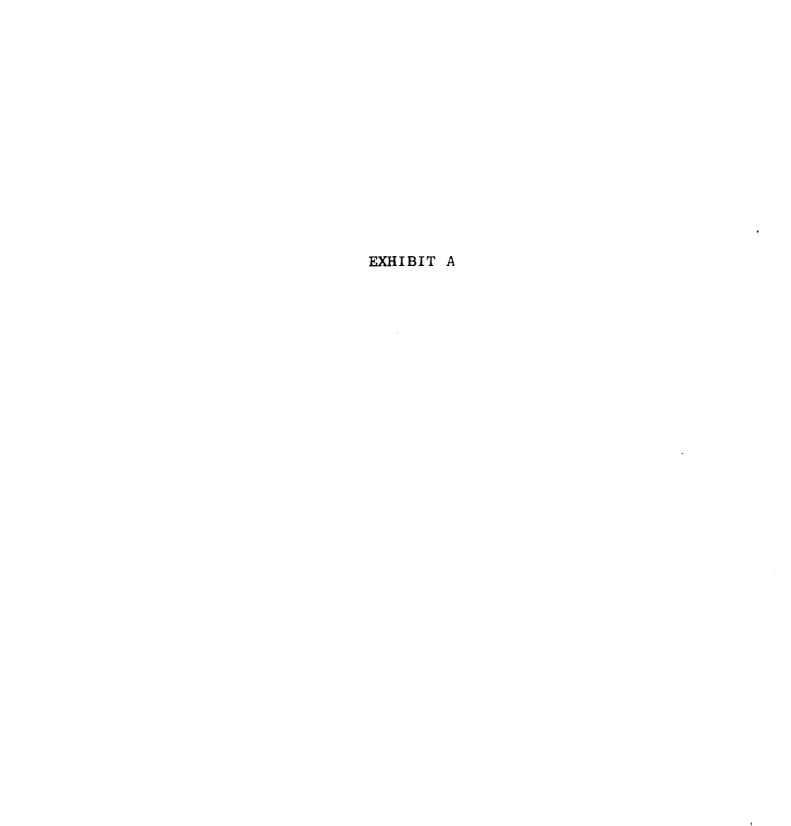
IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto, effective as of July 1, 1972.

THE NATIONAL CASH REGISTER COMPANY

By -- Conner () and for

CHAMPION INTERNATIONAL CORPORATION

By Mideral Charles



IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO WESTERN DIVISION

THE NATIONAL CASH REGISTER COMPANY, a corporation of Maryland, Plaintiff, v. CHAMPION INTERNATIONAL CORPORATION, a corporation of New York, Defendant.))))) CIVIL ACTION 7243))
ORDER OF DISMISSAL	
WHEREAS a Complaint and Co	unterclaim have been filed
in this proceeding; and	
WHEREAS the parties have r	eached a compromise and
agreement in respect to the patents	here in suit and related
matters;	
NOW, THEREFORE, it is orde	red, adjudged and decreed
as follows:	
1. That this action be an	d hereby is dismissed
without prejudice as to either the C	omplaint or Counterclaim;
and	
2. That each party shall	stand its own costs.
Entered this day of	

APPROVED AS TO FORM AND CONSENTED TO:

Attorneys for Plaintiff,
THE NATIONAL CASH REGISTER COMPANY

Attorneys for Defendant, CHAMPION INTERNATIONAL CORPORATION

Attachment A

Inter-Office Correspondence



W.T. Myers, Jr.

todal - Battle Creek

Carol Hommerding

cc: E. Bender

Date March 29, 1984

J. Crabtree

F. Herzig

J. Matthews

T. Tiffany

RE: HAZARDOUS WASTE HANDLING

Dear Carol:

This is a memo to summarize our phone conversation of Tuesday, March 27th in which I relayed on to you the request of New York legal to send all originals of our hazardous waste manifests to Mike Watson; keeping copies for our own files.

In addition, I requested that you work with Jack Crabtree in making a final shipment of any hazardous wastes that have been generated as a part of the St. Regis operations before the sale date of April 2nd. Please confirm by memo what you are able to accomplish as soon as you have completed the work.

Sincerely,

W.T. Myers, Jr.

WTM: ih

	!	FOIL DISPUSAL WANIFEST	☐ Act 64 Wast	te (HAZARDOUS)	Äστ 136 V	Vaste		Othe	er	ľ	MI	02	504	57	
		St. Regis Paper Company	Primary Transpor	ter's Name Waste Manage m	ent. Inc.							posal Fac		nent.	Ino.
	FICATION	79 E. Fountain Street Battle Creek, Mich. 49016				CHELA CLEAN	- 11					ama			<u>,</u>
	Z (816) 963-5511	Phone Number	1×1080 517 515			Pho	ne Nur	mber			1			•
		Senerator's Site EPA I.D. Number MI D 0 7 2 5 6 8 1 8 5	OBD 0 6	0 7 2 4 1 6 1	- Ka		- 11	lilty Sit				nber 2 4	6,4,		•
		If more than one Transporter is to be utilized, give the Name	and EPA I.D. Numb	per of each:									***		
		U.S. D.O.T. Shipping Name (or common name if the shipping name).	ere Is no D.O.T.	D.O.T. Hazard Class	U.N./N.A. No.	Haz. Class Code		ainer Type	1_1,	Gas	ndge	To Weight o	otal or Volum	e Units	Hazardo or Liqui Waste
	TION	PCB Liquid (Transformer)		ORM-E	UN 2315		3	Ďr.	¥		S	Appro	X.	Lbs.	Numbe 0 2 6
	INFORMATION	(Greater than 500 P.P.M.)													
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		6													
	COMMENTS	Include Safety precautions and special handling instructions.					.d	<u></u>	.11	_1	JJ				
	labe U.S info	NERATOR CERTIFICATION: I certify that the above named material and are in proper condition for transportation according to the manifest contained on the manifest constitutes a violation of 1979 For be used in administrative and court proceedings.	applicable regulation t is factual. I underst	is of the Department of Trans land that the failure to accura	portation and tely report all this manifest									М	Date Shipped D. DAY YEA
LETES	was was gen adn	JLER'S CERTIFICATION: I certify acceptance of the above ident tes for transportation. I further certify that I shall deliver the hazardites, together with this manifest, only to the destination specified by erator on this manifest. I understand that this manifest can be use inhistrative and court proceedings.	the I.D. No. Subsequent Transporter Vehicle I.D.		2 / 1 2 Su 3	ibseque	nt trans	<u>//</u>	(s) sig	natur		me			ate(s) Receive
PLETES	TSC was faci	The shipment cannot be delivered, describe the reasons for non-displayed the state of the shipment cannot be delivered, describe the reasons for non-displayed the state of the shipment of the shipment of the shipment cannot be shipment to the shipment cribe any significant discrepancies between manifest and shipment of the shipment	ntified wastes and the property certified by the manifest can be use	both the generator and hauler	proceedings. Fa	DF Sign	e EPA	<u>(161</u>	<u>~1 ~</u>	19 k		/	Accept Rejecte	eo	Date Received
3		-		_							_	_ D N	0		

Attachment B



W.T. Myers, Jr.

Battle Creek

Mevin Salter

cc: J. Johnson

November 6, 1984

C. Hommerding

RE: HAZARDOUS WASTE DISPOSAL AT FOUNTAIN MILL

Dear Kevin:

At long last, clearance was obtained for removing all chemicals that were not required at the Fountain Mill. Attached are Affidavits from the Department of Natural Resources of Michigan indicating the quantities and nature of the materials that were hauled away from the Fountain Mill in fulfillment of our obligations to Michigan Holding Company.

Sincerely,

W.T. Myers, Jr.

WTM: ih encl.



(Form designed for use on elite (12-pitch) typewriter.)



REJ. 🗌

DIS.

Required under authority of Act 64, P.A. 1979, as amended and Act 136, P.A. 1969

Failure to file is punishable under section 299.548 MCL or Section 10 of Act 136, P.A. 1969.

Form Approved OMB No 2000-0404 Expires 7-31-86

3. Generator's Name and Melling Address St. Regis Corporation 177 Angells Street, Battle Creek, Mich. 49016 4. Generator's Phone (£18 963-5511 5. Transporter Company Name A-1 Disposal Corporation A-1 Disposal Corporation B. USEFA D Number Transporter Company Name B. USEFA D Number Transporter Company Name B. USEFA D Number State Transporter's ID C. St	3 G6	WASTE MANIFEST MI	D 07 25681650	0001	of 1	law.	ocumer	ot Number
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DNR MICHIGAN DEPARTMENT OF NATURAL RESOURCES

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Required under authority of Act 64, F 1979, as amended and Act 136, P.A. 1969

Failure to file is punishable under section 299.546 MCL or Section 10 or Act 136, P.A. 1969.

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Attachment C

EXHIBIT A

TO

HAZARDOUS WASTE
AGREEMENT BETWEEN
CHEMICAL WASTE MANAGEMENT, INC.

ST. REGIS PAPER COMPANY DATED JULY 1, 1982

SUPPLEMENTAL INFORMATION DOCUMENT: NUMBER 3-055-83

This Document supplements, and is part of, that certain "Hazardous Waste Transportation and/or Disposal Agreement" (hereinafter "the Agreement"), entered into by and between St. Regis Paper Company (hereinafter "the Generator"), and Chemical Waste Management, Inc. (hereinafter "CWM") on July 1, 1982. The provisions of this Document shall be incorporated into the Agreement.

1. <u>DESCRIPTION AND QUANTITY OF WASTE PRODUCTS</u>. The "Waste Products", to which the Agreement refers, are as described in the "Generator's Waste Material Profile Sheet," Code Designation RVD A92488 attached hereto and made part hereof.

Containers are to be provided by Generator according to the following specifications:

55 gallon steel drums in conformance with DOT requirements for subject matter, drums must be in good condition, properly labeled.

- 2. TENDER OF WASTE PRODUCTS. Generator, or Generator's transporter if CWM is not the transporter, shall tender delivery of the above Waste Products to CWM at the following place and time and in the following manner:
- (a) Quantity of Waste Products to be Tendered Over Term.
 - 1) Estimated Annual.
 - (3) three 55 gallon drums
 - 2) Estimated Maximum/Minimum Per Tender.

N/A

(b) Place. (Generator Facility if CWM is transporter; CWM Facility if CWM is not transporter).

St. Regis Paper Company 79 E. Fountain Street Battle Creek, MI 49016

(c) <u>Time and Manner</u>. As scheduled by Generator and CWM. If CWM is transporter, Generator shall be responsible for loading CWM's trucks.

as scheduled

3. LOADING AND TRANSPORTATION. The Waste Products are to be loaded (or stowed) on vehicles (or vessels) by Generator , and transported to the Storage Facility Disposal Facility (circle one) by CWM . If the Waste Products are first transported

to a Storage Facility, they will be reloaded (or stowed) on vehicles (or vessels) by _______. If CWM is to provide transportation the following special transportation requirements (if any) shall apply, pursuant to the Generator's direction:

(a) Vehicles or Vessels; Hours of Transportation.

At CWM's Discretion

(b) Routes.

At CWM's discretion

4. <u>DISPOSAL FACILITY</u>. CWM shall dispose of the above Waste Products at the following disposal facility (or facilities):

(a) Name/Address of Facility (Facilities) and Permittee/Permit Number(s) and Initiation and Termination Date(s)/
Permitting Authority(ies):

Chemical Waste Management Inc. Highway 17 at Mile Marker #163 Emelle, Alabama

Permit # Site 9111901 Federal 1 ALD 000622464

5. DISPOSAL METHODS: CWM shall utilize one or more of the following methods for the disposal of the Waste Products:

For the disposal of PCB liquid greater than 500 PPM PCB: The "Mt. Vulcanus", ocean incineration vessel at the U.S. EPA designated burn site. Permit #HQ-81-002. U.S. EPA Incineration at sea permit TXD-000751180.

6. <u>EMERGENCY SERVICES</u>: CWM shall provide emergency transportation, storage or disposal services, with respect to the above Waste Products, pursuant to the following:

N/A

7. COMPENSATION. The Generator shall compensate CWM as follows:

(a) For Transportation of Waste Products.

\$211.00 per 55 gallon drum, Generator will be allowed one hour loading time at their facility, with anytime thereafter being considered demurrage at a charge of \$75.00 per hour.

7. (a) con't.

(b) For Disposal of Waste Products.

\$250.00 per 55 gallon drum

(c) Emergency Services.

N/A

(d) Measurement of Waste Products. Waste Products shall be measured by CWM for the purpose of computing fees hereunder, at the time and place, and in the manner, as follows:

By actual drum count on manifest

(e) Generator's Billing Address. CWM shall submit its statements to:

St. Regis Paper Company
79 E. Fountain Street
Battle Creek, MI Attn: J. Crabtree

- (f) <u>CWM Billing Address</u>. <u>CWM will issue</u> its billings from the following: Chemical Waste Management Highway 17 at Mile Marker 163 Emelle, AL 35459
- 8. MISCELLANEOUS TERMS AND/OR CONDITIONS.

N/A

By their signatures hereto, the parties agree that this Supplemental Information Document shall be considered an attachment to, and part of, that certain "Hazardous Waste Transportation and/or Disposal Agreement" identified above.

Date: april 18, 1983

Date: 11/11/2/1983

ST. REGAS PAPER COMPANY

By: Conclus V. Cusalle

CHEMICAL WASTE MANAGEMENT, INC.

CHEMICAL WASTE MANAGEMENT, INC.

Title: Coco Cillin

Attachment D

AMENDMENT TO LICENSE AGREEMENT

WHEREAS, THE NATIONAL CASH REGISTER COMPANY, hereinafter referred to as "NCR" and INSTITUTO DI CHEMIOTHERAPIA s.r.l., hereinafter referred to as "ICHEM" entered into a License Agreement dated the ninth day of April 1969, a copy of which is attached hereto as Fishibit 1; and

WEEREAS, on the 4th day of June , 1069, ICHEM became known as EURAND S.p.A., a corporation organized under the laws of Italy, hereinafter referred to as "EURAND":

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained in this Amendment and in an Agreement entitled AGREEMENT-THE NATIONAL CASH REGISTER COMPANY, COSMEMPORT S.A. and EURAND S.P.A. and entered into by the three parties of said title on the 20th day of December . 1969, it is hereby agreed by and between EURAND and NCR that the License Agreement be amended as follows:

Page 1, paragraph 1, line 5, change "INSTITUTO DI CHEMIO-THERAPIA s.r.l." to -- EURAND S.p.A. --, and change the name "ICHEM" to -- EURAND" -- wherever it appears thereafter in the License Agreement.

ARTICLE I, Definitions, Section D, line 2, insert following the word "EURAND", -- or NCR -- .

ARTICLE I, Definitions, Section G, between Group VIII and the language, "centaining or consisting of capsules--", insert the following new group --

Group IX. Sustained release pharmaceutical raw materials for human medicinal use upon which faconnage is performed. --

ARTICLE I, Definitions, at the end of the ARTICLE, add the following new sections --

- H. The word "faconnage" means the encapsulation of materials supplied to EURAND or NCR without cost by the purchaser of the encapsulation service provided by EURAND or NCR.
- I. The words "sustained release" mean the effect of the wall of a Capsule upon an encapsulated pharmaceutical raw material for human medicinal use in which the sole function and purpose of the wall is to cause a release of the encapsulated material for its medicinal purpose at a rate substantially slower than that which would occur if no Capsule wall were present. Any Licensed Product of Group IX containing or consisting of Capsules having a wall for any other substantial function or purpose, including but not limited to taste-masking and preservation, is specifically excluded under this Definition even though the Capsule wall may also exhibit a sustained release effect as well. --

ARTICLE VIII, Grant of License, Section A, at the end of the ARTICLE, add the following new paragraph --

NCR will grant and does hereby grant to EURAND an exclusive license to make anywhere for the faconnage purchaser of ARTICLE I, Section H, the Licensed Products of Group IX which use any invention of NCR in Capsules or Encapsulation which is covered by the Licensed Patents. The exclusivity shall apply with respect to future licenses only and hereby is made subject to all present NCR license agreements and options to enter into NCR license agreements which options were granted prior to the effective date of this Amendment. NCR hereby retains on behalf of itself and any of its subsidiaries the right to make anywhere for the faconnage purchaser of ARTICLE I, Section H. the licensed products of Group IX, provided if and only if such faconnage purchaser is a present NCR licensee or subsequently becomes an NCR licensee prior to purchasing the faconnage performed by NCR.

AR'ITCLE IX, Royalties and Reports, Section A at the end of the Section add the following new paragraph --

The royalty rate for Group IX of the Licensed Product: described in ARTICLE I-G shall be ten per cent (10%) of the sales or transfer price to the purchaser of the encapsulation service provided by EURAND. --

This Amendment shall become effective upon the consummation of the closing described in Article Fourth in said Agreement entitled AGREEMENT - THE NATIONAL CASH REGISTER COMPANY, COSMEXPORT S. A. and EURAND S. P. A., and shall terminate at NCR's option on the date of termination of NCR's participation in EURAND.

All other terms and conditions of the License Agreement shall remain the same.

1	NCR and EURAND hereby execute this Amendment in
duplicate by their	duly authorized representatives on this 20th day of
December	. 1969 . Chair to Alexander of the care of the contract of the
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	to the The NATIONAL CASH REGISTER COMPANY
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	Title President
\	EURAND S. p. A.
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	Sign to the By
•	With General Manager

AMENDMENT TO LICENSE AGREEMENT

THIS AMENDMENT, by and between THE NATIONAL CASH REGISTER COMPANY, a corporation organized under the laws of the State of Maryland, United States of America, hereinafter referred to as "NCR", and EURAND S.P.A., a corporation organized under the laws of Italy, hereinafter referred to as "EURAND",

WHEREAS, NCR and Instituto di Chemiotherapia s.r.l. entered into a LICENSE AGREEMENT on the 9th day of April, 1969; and

WHEREAS, Instituto di Chemiotherapia s.r.l. became known as EURAND S.P.A. on the 4th day of June, 1969; and

WHEREAS, NCR and EURAND entered into an AMEND-MENT TO LICENSE ACREEMENT executed the 20th day of December, 1969;

NOW, THEREFORE, in consideration of the mutual covenants and obligations hereinafter set forth in THIS AMENDMENT, it is hereby agreed by and between EURAND and NCR as follows:

FIRST

The aforesaid AMENDMENT TO LICENSE AGREEMENT executed the 20th day of December, 1969, is hereby terminated in its entirety and the LICENSE AGREEMENT entered into on the 9th day of April, 1969, is amended as follows:

Delete "INSTITUTO DI CHEMIOTHERAPIA s.r.l.", each occurrence, and substitute therefor, EURAND S.P.A.

Delete "ICHEM", each occurrence, and substitute therefor, EURAND.

ARTICLE I, Section D, delete this Section and substitute therefor,

- D. The word "Subsidiary" means any corporation in which EURAND or NCR owns fifty-one per cent (51%) or more of the issued and outstanding voting stock or any corporation in which EURAND or NCR can otherwise exercise effective management or control.
- ARTICLE I, Section G, following Group VIII, cancel in its entirety the remaining language of Section G beginning, "containing or consisting of capsules---", and ending "---Liquid Crystals contained in Capsules", and substitute therefor,
 - Group IX. End product fire retardant and fire extinguishing compositions,
 - Group X. The products defined hereinafter in this Group, in bulk form as distinguished from end products, upon which encapsulation faconnage is performed:
 - a. Sustained release pharmaceutical raw materials for human medicinal use,
 - Pharmaceutical raw materials for human medicinal use excluding those under a.
 above,
 - c. Pharmaceutical raw materials for veter-inary use,
 - d. Compositions for cosmetic use, that is, products for human use intended for cleaning, beautifying, promoting attractiveness or altering the appearance, excluding dentifrices and such compositions that are used for hair cosmetics,
 - e. Food chemicals added to rood products to impart specific properties to the food product or to facilitate the processing of the food product.

- f. Compositions for agricultural use excluding compositions used as insect repellants and excluding compositions for modifying plant growth and/or controlling pests, both plant and animal, in and around lawns and other turf areas,
- g. Adhesive compositions excluding:
 - 1) adhesive compositions for coating on fabric interliners and lining materials for garments and footwear,
 - 2) adhesive compositions for securing, fastening and sealing metal to metal and metal to plastic, and
 - 3) adhesive compositions formed into solid applicators,
- h. Compositions for washing, cleaning, polishing and lubricating, excluding all such compositions used on the human body,
- i. Compositions for etching surfaces and chemically inhibiting or inactivating surfaces, including corrosion controlling compositions,
- j. Fire retardant and fire extinguishing compositions,

which results in products,

of any of the inventions of the Licensed Patents.

The Licensed Products defined in Article I, Section G, are those currently identified as candidates for encapsulation. Upon

written application by EURAND to NCR for permission to encapsulate additional specifically defined products not within the scope of the Licensed Products of Section G, such additional products will be added to Section G. However, in no case will the additional specifically defined products be added to Section G if at the time of such written application by EURAND, NCR has commitments of any nature whatsoever which prevent such addition to Section G.

Specifically excluded from all Licensed Products are flavors and/or fragrances contained in Capsules, and also specifically excluded are Liquid Crystals contained in Capsules.

ARTICLE I, add the following new Sections,

- H. The words "encapsulation faconnage" mean the encapsulation of bulk form products which are supplied by a customer to EURAND or NCR in unencapsulated form without cost, for subsequent return to the customer after encapsulation.
- I. The words "sustained release" mean the effect of the wall of a Capsule upon an encapsulated pharmaceutical raw material for human medicinal use in which the sole function and purpose of the wall is to cause a release of the encapsulated material for its medicinal purpose at a rate substantially slower than that which would occur if no Capsule wall were present. Any encapsulated pharmaceutical raw material having a wall for any other substantial function or purpose, including but not limited to taste-masking and preservation, is specifically excluded under this Definition even though the Capsule wall may also exhibit a sustained release effect as well.

Add new ARTICLE VIIa following ARTICLE VII,

ARTICLE VII a

Applicable Law and Arbitration

- A. This Agreement shall be governed by the laws of the State of Ohio of the United States of America.
- B. Any controversy or claim arising out of or relating to this Agreement or any subsequent amendments to this Agreement or the breach thereof shall be settled by arbitration, in accordance with the Rules of Arbitration of the International Chamber of Commerce, and the decision and judgment upon the award rendered by the arbitrators shall be binding upon the parties to this Agreement and may be entered in any court having jurisdiction of the parties, providing said decision and judgment are entered within six (6) months of the first meeting of the arbitrators.

ARTICLE VIII, Section A, delete this Section and substitute therefor,

- A. (1) NCR will grant and does hereby grant to EURAND a non-exclusive and non-transferable right and license to make, use and sell anywhere the Licensed Products of Groups I through IX, inclusive, which use any invention of NCR in Capsules or Encapsulation which is covered by the Licensed Patents.
- (2) NCR will grant and does hereby grant to EURAND a non-transferable license to make and sell the Licensed Products of Group X which use any invention of NCR in Capsules or Encapsulation which is covered by the Licensed Patents. The license granted under this paragraph with respect to Group X, parts b, through j, inclusive, shall be non-exclusive in the United States of América, its Territories and Possessions and exclusive in the rest of the world and with respect to Group X, part a, shall be exclusive world-wide.
 - a. Each of the non-exclusive and exclusive portions
 of the license granted under this paragraph (2)
 shall apply only with respect to future agreements

entered into by NCR, and each portion is hereby expressly made subject to all the rights and options to obtain rights granted to each party to each NCR agreement of any nature and kind whatsoever executed prior to the date of execution of the amendment containing this paragraph.

b. NCR hereby reserves and retains the rights for and on behalf of each of its following Subsidiaries to make in the country in which the Subsidiary is located and to sell anywhere all the Licensed Products of Group X:

The National Cash Register Company, Ltd., organized under the laws of the United Kingdom,

The National Cash Register Co. (Japan), Ltd., organized under the laws of Japan,

National Registrier Kassen G. m.b. H., organized under the laws of the Federal Republic of Germany.

Said rights reserved on behalf of each said Subsidiary shall cease and terminate immediately upon agreement to that effect by said Subsidiary with NCR. NCR shall immediately notify EURAND of the termination of said rights.

c. NCR hereby reserves and retains on behalf of itself and any of its Subsidiaries the right to make and sell in the United States all the Licensed Products of Group X.

ARTICLE IX, Section A, at the end of the columns of the first paragraph, add the following groups and rates, respectively,

Group IX

3%

Group X

10%

Delete the second paragraph and substitute therefor,

With respect to Group X, the royalty will be paid on the sales or transfer price to the customer.

SECOND

In the event that on the 31st day of December, 1974 the cumulative total of the earnings of EURAND derived from the following sources, before the imposition of taxes measured by or imposed upon such earnings (and before any provision for such taxes):

- (1) Sale of Licensed Products, and
- (2) Sale of Licenses and royalties received therefrom under an agreement entitled AGREEMENT THE NATIONAL CASH REGISTER COMPANY and EURAND S.P.A. of even date herewith,

fails to equal or exceed One Million Five Hundred Thirty Thousand Dollars (\$1,530,000.00 U.S.), then upon written notice to EURAND within ninety (90) days after the 31st day of December, 1974, NCR shall have the right and option to terminate the exclusive license granted under THIS AMENDMENT in ARTICLE VIII, Section A. (2), with respect to the Licensed Products defined in Group X, parts b. through j., inclusive. However, EURAND shall retain the exclusive portion of the license granted by NCR under ARTICLE VIII, Section A. (2) hereof,

with respect to the Licensed Products defined in Group X, part a; and the exclusive license granted by NCR under ARTICLE VIII, Section A. (2) hereof, with respect to the Licensed Products defined in Group X, parts b. through j., inclusive, shall become non-exclusive worldwide.

THIRD

All other terms and conditions of the License Agreement shall remain the same.

THIS AMENDMENT is hereby executed in duplicate by the duly authorized representatives of NCR and EURAND.

THE	NATIONAL CASH REGISTER COMPANY
ву	(Allinia
Title	Vice President and General Manager
	Special Products Division
Date	July 24, 1970
EURA	ND S. P. A.
	1 hors
·By_	
. Titlé	General Manager .
Date	July 24, 1970

AMENDMENT TO LICENSE AGREEMENT

THIS AMENDMENT (hereinafter referred to as the THIRD AMENDMENT), entered into by and between THE NATIONAL CASH REGISTER COMPANY, a corporation organized under the laws of the State of Maryland, United States of America, hereinafter referred to as "NCR", and EURAND S.P.A., a corporation organized under the laws of Italy, hereinafter referred to as "EURAND".

WHEREAS, NCR and Instituto di Chemiotherapia s.r.l. entered into a LICENSE AGREEMENT on the 9th day of April, 1969; and

WHEREAS, Instituto di Chemiotherapia s.r.l. became known as EURAND S.P.A. on the 4th day of June, 1969; and

WHEREAS, NCR and EURAND entered into an AMEND-MENT TO LICENSE AGREEMENT (hereinafter referred to as the FIRST AMENDMENT) executed the 20th day of December, 1969; and

WHEREAS, NCR and EURAND entered into another AMENDMENT TO LICENSE AGREEMENT (hereinafter referred to as the SECOND AMENDMENT) executed the 24th day of July, 1970, which terminated the FIRST AMENDMENT in its entirety;

NOW, THEREFORE, in consideration of the mutual covenants and obligations hereinafter set forth in this THIRD AMENDMENT, it is hereby agreed by and between EURAND and NCR as follows:

FIRST

The SECOND AMENDMENT is hereby amended as follows:

ARTICLE I, Section G, following Group X, cancel in its entirety the remaining language of Section G beginning, "containing or consisting of capsules---" and ending "---Liquid Crystals contained in Capsules", and substitute therefor,

Group XI. Flavor or fragrance compositions sold in bulk form as distinguished from end products,

Group XII. Flavors or fragrances in bulk form as distinguished from end products, upon which encapsulation faconnage is performed, which results in products,

containing or consisting of Capsules which employ or are made by the use of any of the inventions of the Licensed Patents.

or paper substitutes having incorporated thereon or therein capsules containing fragrances only, which employ or are made by the use of any of the inventions of the Licensed Patents, excluding said sheets used for printing, writing, copying, or photography made, used or sold in the United Kingdom of Great Britain and Northern Ireland, the Isle of Man, the Channel Islands, the Republic of Ireland, and Gibraltar.

The Licensed Products defined in Article I, Section G, are those currently identified as candidates for encapsulation. Upon written application by EURAND to NCR for permission to encapsulate additional specifically defined products not within the scope of the Licensed Products of Section G, such additional products will be added to Section G. However,

in no case will the additional specifically defined products be added to Section G if at the time of such written application by EURAND, NCR has commitments of any nature whatsoever which prevent such addition to Section G.

Specifically excluded from all Licensed Products are Liquid Crystals contained in Capsules.

ARTICLE VIII, Section A, following paragraph (2), part c., add new paragraphs (3) and (4),

- (3) NCR will grant and does hereby grant to EURAND a non-transferable and non-exclusive right and license to make, use and sell anywhere except in the United States, Canada and Japan, the Licensed Products of Groups XI, XII and XIII, which use any invention of NCR in Capsules or Encapsulation which is covered by the Licensed Patents.
- Products, or the Know-How, or any direct product thereof, now or subsequently covered by this license are not authorized to be directly or indirectly sold, leased, re-leased, assigned, transferred, conveyed or in any manner disposed of in or to any of the following countries: Southern Rhodesia, Albania, Bulgaria, Communist China, Cuba, Czechoslovakia, East Germany, Estonia, Hungary, Latvia, Lithuania, North Korea, Outer Mongolia, Poland, Rumania, Union of Soviet Republics, any of the area of Vietnam which is under de facto Communist control or any other area which is from time to time determined by the United States to be under Communist control, or in any territory other than that which NCR could at the time license (EURAND without objection of the United States Government. The provisions of this paragraph shall continue in force so long as required by the laws, rules and

regulations of the United States Government or by any agency authorized by the United States Government to determine that such sale does not conflice with United States rules and regulations.

ARTICLE IX, Section A, at the end of the columns of the first paragraph, add the following groups and rates, respectively,

Group XI .	7-1/2%
Group XII	10%
Group XIII	5%

In the second paragraph, line 1, delete "Group X," and substitute therefore ---Groups X and XII, ---.

SECOND

All other terms and conditions of the LICENSE AGREEMENT and the SECOND AMENDMENT shall remain the same.

EURAND S. P. A.		\bigcap	1	
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Title _	PIAMAGING	81	Rictor	2

Special Products Division

THIS AGREEMENT, entered into this 24th day of February, 1969, by and between THE NATIONAL CASH REGISTER COMPANY, a corporation organized under the laws of the State of Maryland, hereinafter referred to as "NCR", and HONEYWELL INC., a corporation organized under the laws of the State of Delaware, hereinafter referred to as "HONEY-WELL".

WITNESSETH:

WHEREAS, NCR is the owner of patents, patent applications and other valuable technical information relating to Capsules and Encapsulation, and specifically the owner of U. S. Patents 2, 971, 916 and 3, 221, 315 which are congerned with the use of capsules in magnetic recording; and

WHEREAS, HONEYWELL desires NCR to investigate the utility of magnetic capsules and coatings therefrom for use in graphic recording media; and

WHEREAS, HONEYWELL desires NCR to perform certain laboratory work for producing a material utilizing said capsules and coatings and useful as graphic recording media; and

WHEREAS, NCR is willing to undertake said investigation and work,

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein contained, it is hereby agreed by and between HONEYWELL and NCR as follows:

ARTICLE I

Definitions

As used in this Agreement:

- A. The word "Encapsulation" means any or all of the following:
 - 1. The making of Capsules on masse by a process which

Fly Page ?

results in the formation of continuous walls of solid polymeric films around nuclei of any state, composition or structure; which process includes, at the time of the formation of a deposition around the nuclei, the dispersion of the nuclei in a liquid manufacturing medium in which the polymeric capsule wall material, then in a liquid state, is immiscible and which includes the subsequent conversion of the liquid polymeric walls to solid polymeric films.

- 2. The making of Capsules en masse by a process which results in the formation of continuous walls of solid polymeric films around any nuclei of any composition; which process includes dispersal of the nuclei in a liquid manufacturing media with the polymeric wall formed in situ by any chain propagating polymerization reaction which occurs at or near the nuclei interface with subsequent polymeric wall material formation as the result of continuing reaction at the interface originating through the presence of chemically functional reactants, with or without catalysts added to or resident in either or both the nuclei or liquid manufacturing media.
 - 3. Any recovery of the Capsule from the medium.
- 4. Any treatment in the making of the Capsule to affect its properties.
- 5. Any material for such liquid medium or nucleus or Capsule wall or any modification or adaptation of such material insofar as it functions in the making of the Capsule or affects its properties.
- B. The word "Capsule" means any entity comprising one or more nuclear entities surrounded by a containing wall, and made by the procedure defined in Sections 1 or 2 of the foregoing definition of Encapsulation.

C. The term "graphic recording media" means media capable of producing a visible trace or traces when used in conjunction with a single or multi-channel recorder such as is used to monitor or record analog data. The applied force to the media for such production shall be a magnetic field that produces a direct response in the media leading to a visible trace. The trace may be continuous or discontinuous and may be superimposed upon a grid and may be alpha numeric in character or any combination of notations if such alpha numeric characters or notations relate directly to the analog data being monitored or recorded.

ARTICLE II Laboratory Work

- A. NCR will provide at least one qualified chemist together with supervision and administration to perform the investigation and laboratory work as desired in the schedule of work or proposal attached hereto as "Exhibit A".
- B. HONEYWELL will provide objectives and specifications and NCR will provide the services as required. NCR will submit reasonable experimental quantities of graphic recording media embodying Capsules and HONEYWELL will perform the testing and evaluation thereon. NCR will keep HONEYWELL informed as to the progress of the work.
- C. During the course of the work under this Agreement, NCR will permit authorized representatives of HONEYWELL, on reasonable notice, to visit NCR's laboratories and to consult at reasonable times with NCR representatives.

ARTICLE III

Inventions and Disclosures

A. Any inventions, improvements or discoveries made by

NCR or HONEYWELL in the performance of the work under this Agreement shall be considered to be inventions, improvements or discoveries of the party making such inventions, improvements or discoveries, and rights to NCR's inventions, improvements or discoveries shall be as defined hereinafter. Should any joint invention arise from the joint efforts of the parties hereto, the parties shall be equal co-owners thereof, each with full rights to deal with any patent obtained thereon as it may deem appropriate.

- B. Any invention made by NCR, as described in paragraph A of this Article, relating to Capsules or Encapsulation shall remain with NCR and will be available for licensing as provided for in Article VI hercof should HONEYWELL desire a license to manufacture or have manufactured Capsules and/or graphic recording media embodying Capsules.
- C. Any invention made by NCR as described in paragraph A relating to graphic recording media will remain with NCR, and will be available for licensing as provided in Article VI hereof, should HONEY-WELL desire a license, and provided further that if NCR licenses the patent application or patent resulting from said invention, as provided for in paragraph B of Article VI hereof, NCR will share equally the royalties received with HONEYWELL.
- D. All information disclosed by the parties, NCR and HONEY-WELL, to each other pursuant to the work area as outlined in this Agreement will be received in confidence, and HONEYWELL and NCR will take all reasonable precautions to prevent the disclosure to third persons of any such information received from the other party, provided, however, that neither HONEYWELL nor NCR shall be responsible for disclosures by persons who are or have been in its employ, unless HONEYWELL or NCR fails to handle said information received from the other party with

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the same degree of care and confidence as HONEYWELL or NCR handles its own proprietary information, and provided further, that HONEYWELL may transfer said information, after notifying NCR ninety (90) days prior to its dissemination, to prospective users of the graphic recording media to the extent necessary to make possible an appraisal of the graphic recording media.

- E. The obligations of confidence shall not apply to any such information as follows:
 - 1. NCR and HONEYWELL agree upon the disclosure of portions of said confidential information.
 - 2. Said information or portions thereof are or become part of the public domain not as a result of default of the receiving party.
 - 8. Said information or portions thereof are either obtained or otherwise acquired in good faith at any time by the recipient from a third party who has the same.
 - 4. When five (5) years has elapsed from the time such information is disclosed here-under.
- F. The obligations of this Article III shall survive the termination of this Agreement.

ARTICLE IV

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Terms and Payments

A. NCR shall provide six (6) man months (968 hours) of effort together with the necessary supervision and administration to perform the investigation and laboratory work outlined in Article II. HONEYWELL

shall pay NCR for the investigation and laboratory work provided hereunder the sum of Fifteen Thousand Dollars (\$15,000.00). NCR shall invoice HONEYWELL at the completion of this program.

B. HONEYWELL may elect to continue the investigation and laboratory effort being performed by NCR by consecutive periods of six (6) man months of effort each by giving written notice to NCR within thirty (30) days before or after the end of any such period. NCR's charge for such additional periods shall be at the same rate as for the initial period and shall be prorated on the basis of time actually expended by NCR. NCR shall not be required to extend the investigation and laboratory work to be performed hereunder after three (3) years from the date hereof, at which time this Agreement shall terminate if not previously terminated by HONEYWELL.

ARTICLE V

Manufacture

Upon the development of graphic recording media suitable to HONEXWELL, NCR, at HONEYWELL's option, agrees to negotiate for the manufacture of such graphic recording media for HONEYWELL at such times and in forms and quantities and at prices to be mutually agreed upon. NCR agrees to package said graphic recording media of its manufacture according to HONEYWELL's specifications. The period within which HONEYWELL may exercise said option shall terminate ninety (90) days after receipt by HONEYWELL of the final report from NCR upon the conclusion of its investigation and laboratory work.

ARTICLE VI

Option for License

A. NCR grants to HONEYWELL an option to negotiate a royalty bearing licenso in respect of graphic recording media under all

applicable NCR patents, patent applications and Know-How. NCR agrees that it will make the applicable Know-How available to HONEYWELL upon the execution of such a license.

- B. The license in respect of graphic recording media described in paragraph A of this Article shall be exclusive to HONEYWELL for a period of five (5) years from the date of such license and thereafter be non-exclusive. At no time shall the rate of royalty be greater than four per cent (4%) of HONEYWELL's net selling price of the graphic recording media, provided further that if NCR at the end of said five (5) year period grants other non-exclusive licenses on terms and conditions more favorable than those under which HONEYWELL is licensed, HONEYWELL shall have the benefit of such more favorable terms and conditions.
- C. The period within which HONEYWELL may exercise the license option described above shall terminate ninety (90) days after receipt by HONEYWELL of the final report from NCR upon the conclusion of its investigation and laboratory work, provided, however, that if HONEYWELL within said ninety (90) day period initiates negotiations with NCR to manufacture the graphic recording media under the provisions of Article V of this Agreement, said license option shall extend for a period of five (5) years from the date of said final report, provided further that the period of exclusivity specified in paragraph B of this Article VI shall not extend beyond five (5) years and three (3) months from the date of said final report. NCR agrees that during said five (5) year option period any manufacture of said graphic recording media shall be exclusively for HONEY-WELL. Exclusivity when used in this Agreement will not preclude NCR from using graphic recording media in NCR's business machine product line.

ARTICLE VII

Notices

A. Notices required or permitted to be sent to NCR under this

Agreement shall be sent to:

Office of the Secretary
The National Cash Register Company
Main and K Streets
Dayton, Ohio 45409

B. Notices required or permitted to be sent to HONEYWELL under this Agreement shall be sent to:

Vice President and General Managor
Honeywell Inc.
Test Instruments Division
4800 E. Dry Creck Road
Denver, Colorado 80217

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their corporate scals to be affixed as of the day and year first above written.

THE NATIONAL CASH REGISTER COMPANY

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HONEYWELL INC.

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AMENDMENT

It is hereby agreed by and between Honeywell and NCR that the Agreement entered into the 24th day of February, 1969, be amended as follows:

In Article I, Definitions, paragraph C, line 5, the language ---, electromagnetic or electrostatic--- shall be inserted following the word "magnetic."

All other terms and conditions of the Agreement shall remain the same.

This Amendment shall become effective the 23rd day of December, 1969.

By
Title: Vice President & General Manager
Special Products Division
By (H. H. Hverum)
Title: vice President & Coneval Managor
Test Instruments Division

THE NATIONAL CASE RECISTER COMPANY

YW ELL $N \to$

February 16, 1970

Office of the Secretary The National Cash Register Company Main and K Streets Dayton, Ohio 45409

GENTLEMEN:

Your proposed Statement of Work dated February 1970 covering an additional six-month research effort by NCR has been received and reviewed.

Honeywell has elected to continue this investigation for an additional six (6) months, commencing on February 24, 1970, as provided under the terms of the Agreement of February 24, 1969 Article IV, Paragraph B, thereof. Honeywell accepts the goals and provisions outlined in the Statement of Work, "Encapsulated Magnetic Pigment Coated Substrates", dated February 1970. Honeyvell understands that NCR will provide six (6) man-months of effort on this program at a cost to Honeywell of Fifteen-Thousand Dollars (\$15,000).

We appreciate NCR's effort in this program and we look forward to further technical progress.

__Very truly yours,

H. D. Elverum,

VICE PRESIDENT AND

GENERAL MANAGER

cc: A. M. Maresca

September 21, 1970

Office of the Secretary
The National Cash Register Company
Main and K. Streets
Dayton, Ohio 45409

GENTELMENT

The NCR Statement of Work dated August, 1970 and the Amendment proposed M. Maresca, bCR, to W. Stauffer, Honeywell, has been received and carefully reviewed. In the letter of September 17, 1970 from A.

o£ 17 continue the investigation as provided under the terms of the accepts the goals and provisions contained in the Statement 1970, as amended, and further accepts the conditions and funding as stipulated in the letter A. M. Maresca to W. L. Stauffer of September Pigment Coated Substrates, dated August, puc 1969, Artfold IV, Parigranh B, thoronf. As emended, Honewsell finds the Statement of Work satisfactory "Encapsulated Magnetic 24. of September Honeywell clects to **Agreement**

In no way September 24, shall The change in funding for this contract extension period modify any other terms or provisions of the Agreement of 1969 as amended December 23, 1969.

progress in this Honeywell is looking forward to continued technical Important new area.

ly youra,

GENERAL MAIAGER

PERSIDERT AND

Efferum,

ic: A. M. Maresca - NCR

3. Me King

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President institute of

EXHIBIT B.

HONEYWELL

PATENT DEPARTMENT—IPG & PPD Arthur H. Swanson, Manager

June 8, 1971

Mr. E. Frank McKinney
Patent Counsel
The National Cash Register Company
Dayton, Ohio 45409

Dear Mr. McKinney:

Re: NCR/Honeywell Agreement of February 24, 1969

Pursuant to our discussion in Dayton last Thursday, June 3, 1971, this will confirm our agreement that the negotiations now under way between NCR and Honeywell for the manufacture by NCR of graphic recording media for Honeywell are in accord with the provisions of ARTICLE V of our above Agreement and have triggered the license option period provided for in Paragraph C of ARTICLE VI of said Agreement.

Mr. Ballinger and I are appreciative of and thank you for the many courtesies which were extended to us by you and your associates.

Yours very truly,

/1b

LICENSE AGREEMENT

day of April , 1969, by and between THE NATIONAL CASH REGISTER COMPANY, a corporation organized under the laws of the State of Maryland, United States of America, hereinafter referred to as "NCR", and OMNI-TECHNIK, a corporation organized under the laws of the Federal Republic of Germany, having its registered office at Munich, Federal Republic of Germany, hereinafter referred to as "OMNI-TECHNIK",

WITNESSETH:

WHEREAS, NCR is the owner of certain inventions in Capsules and Encapsulation and of certain patents and patent applications relating thereto, and possesses a valuable body of technical information relating thereto; and

WHEREAS, OMNI-TECHNIK is desirous of securing a non-transferable license to use Capsules and Encapsulation and NCR's technical information in the preparation of Licensed Products, and NCR has the right to and is willing to grant such license upon the terms and conditions hereinafter set forth; and

WHEREAS, because it is impractical to determine which of the Licensed Patents OMNI-TECHNIK will use to obtain the maximum benefits from Capsules and Encapsulation, and because it is impossible to assign a specific value to one or more of the Licensed Patents, royalty rates have been negotiated for the use of any or all of the Licensed Patents,

NOW, THEREFORE, in consideration of the payment by OMNI-TECHNIK to NCR of Twelve Thousand Five Hundred Dollars (\$12,500.00), receipt of which is hereby acknowledged, and in further consideration of the mutual covenants and obligations herein contained,

pag 3. EXCL. RIGHT TERM. 4.3, 73 PER NOR

it is hereby agreed by and between NCR and OMNI-TECHNIK as follows:

ARTICLE I

Definitions

As used in this License Agreement:

- A. The word "Encapsulation" means any or all of the following:
- 1. The making of Capsules en masse by formation of a continuous wall of polymeric material around individual nuclei of whatever state, composition, structure or number of nuclear entities, dispersed in a liquid manufacturing medium.
 - 2. Any recovery of the Capsule from the medium.
 - 3. Any treatment of the Capsule to affect its properties.
- 4. Any material for such liquid medium or nucleus or capsule wall or any modification of adaptation of such material insofar as it functions in the making of the Capsule or affects its properties.
- B. The word "Capsule" means any entity comprising one or more nuclear entities surrounded by a containing wall, and made by the procedure, defined in Section 1 of the foregoing definition of Encapsulation.
- C. The words "Application of Capsules or Encapsulation"
 mean any composition or act of manufacture which includes capsules
 made by processes covered by or employing any of the Licensed Patents.
- D. The word "Subsidiary" means any corporation in which OMNI-TECHNIK owns fifty-one per cent (51%) or more of the issued and outstanding voting stock or any corporation in which OMNI-TECHNIK can otherwise exercise effective management or control.
- E. The words "Net Receipts" mean the gross selling price billed by OMNI-TECHNIK for Licensed Products, less

- transportation charges or allowances paid by the seller;
- 2. trade, quantity or cash discounts, and broker's or agent's commissions, if any, actually allowed or paid to unrelated third parties;
- 3. credits or allowances, if any, actually granted on account of price adjustments, rejection or return of Licensed Products previously sold; and
- 4. any tax or other direct governmental charge on the production, sale, use or delivery of such Licensed Products actually paid by the seller and included in the gross invoice price.

A sale will be deemed made on its billing date. Sales between OMNI-TECHNIK and its sublicensees licensed under Article IX-D of this Agreement shall be excluded from the computation of New Receipts.

- F. The words "Licensed Patents" mean the patents listed on Schedule A attached hereto and made a part hereof, or any reissue, division or extension thereof, and the patents that may be granted on the applications listed on said Schedule A; and patents on Capsules or Encapsulation that may hereafter be issued to or acquired by NCR under applications filed during ten years from the date of this Agreement, all to the extent that NCR is free to grant licenses under such patents. The inclusion in Schedule A of patents and patent applications on a world-wide basis shall not be deemed to modify in any way the provisions contained in this Agreement relating to product and/or territorial limitations.
- G. The words "Licensed Products" mean any or all of the following:
 - Group 1 End product adhesive compositions consisting of or containing capsules which employ or are made

by the use of any of the inventions of the Licensed Patents, such composition to be used specifically for securing fastening and sealing metal to metal and metal to plastic.

- Group 2 End product adhesive compounds consisting of or containing capsules which employ or are made by the use of any of the inventions of the Licensed . Patents. Specifically excluded from Licensed Products are adhesive materials for use as fabric, shoe or wall covering applications.
- Group 3 End product compounds or compositions consisting of or containing capsules which employ or are
 made by the use of any of the inventions of the
 Licensed Patents, such compounds or compositions to be used specifically for inhibiting surfaces, etching surfaces, and/or chemically
 inactivating surfaces.

ARTICLE II

Development Period

A. For a development period of three (3) years from the effective date of this Agreement, NCR will co-operate with OMNI-TECHNIK in the work of adapting Capsules and Encapsulation to OMNI-TECHNIK's Licensed Products and adapting OMNI-TECHNIK's Licensed Products to Capsules and Encapsulation. During this period NCR will supply to OMNI-TECHNIK the technical information and technical services described in Article III hereof and OMNI-TECHNIK will use its best efforts to develop commercial products embodying Capsules and Encapsulation.

B. At any time before the expiration of said development period, OMNI-TECHNIK may by written notice to NCR accompanied by the payment to NCR of Twelve Thousand Five Hundred Dollars (\$12,500.00) and acceptance in writing of a liability for a further Twenty-five Thousand Dollars (\$25,000.00), elect to declare effective the license hereinafter described and to proceed with the exploitation of Licensed Products.

Until the liability of Twenty-five Thousand Dollars (\$25,000.00) is extinguished, a surcharge of one per cent (1%) of the Net Receipts of the sales of Licensed Products will be levied. OMNI-TECHNIK may at any time elect to extinguish the liability of Twenty-five Thousand Dollars by paying the balance between the total liability and the sum resulting from the surcharged payments referred to above.

ARTICLE III

Technical Information and Service

- A. As soon as reasonably possible after the execution of this Agreement, NCR will deliver to OMNI-TECHNIK information describing in detail the optimum methods known to it for practicing the inventions disclosed in the Licensed Patents; and for ten (10) years from the date of this Agreement will keep such information up-to-date.
- B. For ten (10) years from the date of this Agreement, NCR will make available to OMNI-TECHNIK through their respective authorized representatives technical assistance in Capsules and Encapsulation. To this end, NCR will send representatives to OMNI-TECHNIK's laboratories at reasonable intervals, will permit OMNI-TECHNIK's representatives to visit NCR's encapsulation laboratories and production facilities at reasonable intervals, will supply OMNI-TECHNIK with written description of the inventions covered in all patent applications which are included in the Licensed Patents, and will in general co-operate with and advise OMNI-TECHNIK in the production of Capsules and their use by OMNI-TECHNIK

in the Licensed Products.

- C. For ten (10) years from the date of this Agreement OMNI-TECHNIK will disclose to NCR in writing or otherwise at quarterly intervals the results of OMNI-TECHNIK's developments in Capsules and Encapsulation and will in writing advise NCR of any inventions which it may make or acquire in this area.
- D. All information disclosed by NCR or OMNI-TECHNIK to the other pursuant to the foregoing provisions is of a confidential nature and NCR and OMNI-TECHNIK will take all reasonable precautions to prevent the disclosure to third persons of any of such information, subject to the following exceptions:
- 1. NCR will be free to disclose such information acquired from OMNI-TECHNIK to any licensee of any of its inventions in Capsules or Encapsulation or to any purchaser of its technical information on Capsules or Encapsulation, but only if and so long as any such licensee or purchaser is bound to NCR by an obligation of non-disclosure corresponding to that contained in this Article.
- 2. NCR will be free to disclose any such information acquired from OMNI-TECHNIK to any research institute or similar organization engaged or permitted by NCR to do research or development work on Capsules or Encapsulation, providing that such disclosure is made in confidence under a written agreement providing for the same.
- 3. OMNI-TECHNIK will be free to disclose any such information acquired from NCR to any research institute or similar organization with which NCR has an agreement permitting it to receive such information.
- E. Subject to the rights of disclosure hereinabove contained, the obligations of confidence contained in this Article III will survive any termination of this Agreement with respect to all confidential information disclosed hereunder prior to termination.

ARTICLE IV

Inventions by Omni-Technik

- A. OMNI-TECHNIK will grant and does hereby grant to NCR a royalty-free, non-exclusive, world-wide license with right to sublicense in respect of any invention in Capsules or Encapsulation or the Application of Capsules made or acquired by OMNI-TECHNIK from the date of this Agreement to a date ten (10) years hence or to the termination of this Agreement, whichever occurs first. For this purpose, an invention will be deemed made when conceived or actually reduced to practice.
- B. OMNI-TECHNIK shall notify NCR as soon as practicable after the making or acquisition of any and all such inventions, as described in Section A of this Article, and of the countries in which they have filed or will file a patent application. NCR shall have the right to file patent applications on such inventions in any countries for which NCR has requested OMNI-TECHNIK to file such application and OMNI-TECHNIK has declined to do so, and OMNI-TECHNIK shall forthwith grant all right, title and interest to such invention in said country or countries to NCR. OMNI-TECHNIK shall forthwith transmit all the necessary information, documents and copies of patent applications which OMNI-TECHNIK has filed to enable NCR to file patent applications in said country or countries.
- C. NCR agrees not to exercise its sublicensing rights in the field of the Licensed Products for three (3) years from the date of the filing of the patent application in the country first filed.
- D. In the event an invention is made by an employee of OMNI-TECHNIK jointly with an employee of NCR, the invention will be deemed an invention of NCR and therefore any patent issued in respect thereof will become part of Schedule A.
- E. Nothing in the foregoing shall give NCR any right with respect to any inventions of OMNI-TECHNIK in adhesive compounds, sealing

compounds, or compositions to treat surfaces per se.

ARTICLE V

Assignment

- A. This Agreement will inure to the benefit of OMNI-TECHNIK and of its successors and assigns to the whole of its business pertaining to the Licensed Products, but only if and when such successors and assigns notify NCR in writing that they will assume all obligations herein imposed upon OMNI-TECHNIK.
 - B. This Agreement will inure to the benefit of NCR and its successors and assigns in title to the Licensed Patents and to the payments herein provided for, but only if and when such successors and assigns notify OMNI-TECHNIK that they will assume all obligations herein imposed upon NCR.
 - C. Other than as provided in Sections A and B of this Article, this Agreement will not be assigned, transferred, conveyed or encumbered by either NCR or OMNI-TECHNIK without the written consent of the other.

ARTICLE VI

Termination

- A. In the event of any adjudication of bankruptcy, appointment of a receiver by a court of competent jurisdiction, assignment for the benefit of creditors or levy of execution directly involving OMNI-TECHNIK, this Agreement (and the License if granted) will thereupon terminate.
- B. NCR and OMNI-TECHNIK will each have the right to terminate this Agreement (and the License if granted) at any time in the event of breach by the other of any of the provisions of this Agreement, provided that steps to remedy such breach have not been taken within ninety (90) days after written notice of such breach has been received by OMNI-TECHNIK or NCR as the case may be.

- C. Unless sooner terminated under the foregoing provisions of this Article this Agreement and License will terminate twenty (20) years after the day and year first written above, at which time the License will become fully paid-up and royalty-free.
 - D. No termination of this Agreement will relieve OMNI-TECHNIK of the duty and obligation to pay in full royalties accrued to the effective date of the termination.

ARTICLE VII

Applicable Law

This Agreement shall be construed under the laws of Germany and any action thereunder shall be referred to the Court of Munich.

ARTICLE VIII

Notices

A. Notices required or permitted to be sent to NCR under this Agreement will be sent to:

The Office of the Secretary
The National Cash Register Company
Dayton, Ohio 45409 U.S.A.

B. Notices required or permitted to be sent to OMNI-TECHNIK under this Agreement will be sent to:

Omni-Technik GmbH Triebstrasse 9 8 Munchen 54 Bundesrepublik Deutschland

IF AND WHEN OMNI-TECHNIK MAKES THE ELECTION DESCRIBED IN ARTICLE II-B HEREOF, THE REMAINDER OF THIS AGREEMENT WILL BECOME EFFECTIVE.

ARTICLE IX

Grant of License

- A. NCR will grant and does hereby grant to OMNI-TECHNIK a non-transferable right and license to make, use and sell Licensed Products which use any invention of NCR in Capsules and Encapsulation which is covered by the Licensed Patents. NCR will not use any patent owned by it to interfere with the sale or use by OMNI-TECHNIK of Licensed Products.
- B. The license with respect to the following groups of Licensed Products shall be as follows:
 - Group 1 shall be exclusive to the Federal Republic of Germany and non-exclusive in all other geographical areas except the United States, its territories and dependencies and Canada which are totally excluded.

This exclusivity shall terminate four (4) years after signing this contract and shall thereafter become non-exclusive.

- Group 2 shall be non-exclusive world-wide, except
 the United States, its territories and dependencies and Canada which are totally excluded.
- Group 3 shall be non-exclusive world-wide, except the United States, its territories and dependencies and Canada which are totally excluded.
- C. NCR warrants that it is the sole owner of all right, title and interest in and to the patents listed on Schedule A and has full right to grant said license, except existing licenses thereunder.

D. OMNI-TECHNIK accepts said grant and admits the validity of the Licensed Patents for the full term of the grant; and will not at any time hereafter directly or indirectly infringe the Licensed Patents, nor dispute the validity thereof, nor the title thereof of NCR, nor directly or indirectly assist any other person in disputing such validity and title.

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E. OMNI-TECHNIK will grant no sublicenses under this license except to its subsidiaries, and then only upon the same terms as contained in this Agreement, and upon the condition that OMNI-TECHNIK will remain responsible to NCR for the performance by any such subsidiary of its obligations under its sublicense.

ARTICLE X

Royalties and Reports

- A. OMNI-TECHNIK will pay NCR as royalty on all sales of Licensed Products by OMNI-TECHNIK during the term of the License at the following rates:
 - Group 1 Four per cent (4%) of Net Receipts of the sales

 of end product adhesive compositions in the
 geographical area where the license is exclusive, and three per cent (3%) of the Net Receipts
 of the sales of end product adhesive compositions
 in the geographical area where the license is
 non-exclusive.

In the case that an adhesive composition contains less than five per cent (5%) capsules in the adhesive composition, the royalty rate will be reduced to two per cent (2%), if exclusive, and one and one-half per cent (1.5%) if non-exclusive.

- Group 2 Three per cent (3%) of Net Receipts of the end product sales of adhesive compounds.

 Seven and one-half per cent (7.5%) of Net Receipts of the sales in bulk as distinguished from end product items.
- Group 3 Three per cent (3%) of Net Receipts of the end product sales of compounds or compositions to treat surfaces.

 Seven and one-half per cent (7.5%) of Net Receipts of the sales in bulk as distinguished from end product items.
- B. Royalties will be due and payable quarterly, and OMNI-TECHNIK will pay to NCR (Cashier, NCR, Main and K Streets, Dayton, Ohio, 45409, U.S.A.) on or before the last day of the months of February, May, August and November of each year during which this Agreement is in effect the total amount of royalties due and payable on account of its operations under this Agreement during the calendar quarter immediately proceeding said dates.
- C. OMNI-TECHNIK will render to NCR with each such payment of royalties a written statement showing the total Net Receipts from its royalty-bearing sales during the period covered by such statement. OMNI-TECHNIK will keep a separate record in a suitable set of books provided for the purpose in sufficient detail to enable the royalties payable hereunder to be determined and will permit such set of books to be examined by a certified public accountant designated and paid by NCR at any reasonable time during business hours to the extent necessary to verify the records and payments provided for hereunder. Such accountant will make his reports to NCR in such manner that information deemed confidential by OMNI-TECHNIK will not be disclosed to NCR.

- Royalties shall be remitted to NCR in United States currency D. or any other currency which is readily convertible into United States currency, unless governmental restrictions prevent OMNI-TECHNIK or its sublicensees from remitting royalty payments from the country in which the relevant sales were made. If such restrictions exist in a particular country, OMNI-TECHNIK's obligation to remit royalties on sales in such country shall be suspended until royalty remittances are permitted and possible under the laws of that country, provided that NCR shall have the right at any time to request and receive royalty payments in such country in its currency, if permitted by law. Where it is necessary to convert the amount of royalties from one currency into another, such conversion shall be made at the exchange rate for royalty remittances established by official regulations of the country in which the relevant sales were made, in force on the date of the royalty remittance. If there are no such regulations, then such conversions will be made at the rate for royalty remittances on such date, as certified by the First National City Bank of New York. Any tax paid or required to be withheld by OMNI-TECHNIK or its sublicensees on account of royalties payable to NCR hereunder shall be deducted from the amount of royalties otherwise due to NCR.
- E. In the event that OMNI-TECHNIK grants sublicenses here-under to one or more of its subsidiaries, as provided for in Article IX-E hereof, or in the event of consignments or other transfer of Licensed Products to or among OMNI-TECHNIK's subsidiaries, the Net Receipts of such subsidiaries from the sale of Licensed Products will be considered as Net Receipts of OMNI-TECHNIK for the purpose of determining royalties, and OMNI-TECHNIK will pay the royalties due thereon.

ARTICLE NI

More Favorable Licenses

A. In the event that NCR grants a license to another under the Licensed Patents for the manufacture and sale of Licensed Products on

royalty terms more favorable than those contained herein, NCR will notify OMNI-TECHNIK of the royalty terms of such other license and, upon written request by OMNI-TECHNIK, will immediately extend to OMNI-TECHNIK such more favorable terms for their duration and extent if OMNI-TECHNIK is not then in default hereunder and if it accepts and becomes bound by all of the terms, conditions and limitations of such other license and gives considerations of equal benefit to NCR as those received by NCR from such other licensee.

B. The provisions of this Article will not be brought into operation by the grant by NCR of a license to the United States Government, the government of any other country or any subsidiary of NCR, nor by the grant by NCR of a license to manufacture and sell Licensed Products in the United States and/or Canada.

ARTICLE XII

Infringement and Invalidity

- A. If during the life of this license OMNT-TECHNIK establishes to the reasonable satisfaction of NCR that a third party is infringing any of the Licensed Patents by the manufacture or sale of a Licensed Product to the substantial detriment of OMNI-TECHNIK, and that OMNI-TECHNIK is then manufacturing or selling Licensed Products under one of the infringed claims, NCR will take action within six (3) months at its own expense to eliminate or abate such infringement, either by persuading the infringer to discontinue such infringement or by licensing such infringer, or by bringing an action against such infringer and prosecuting the same diligently.
- B. If in any court proceeding involving the validity of the Licensed Patents all of the claims under which OMNI-TECHNIK is then operating are held to be invalid, payment of royalties under Article X hereof will be suspended as of the date of such holding. If in any court

proceeding involving any of the claims of the Licensed Patents there is a holding that none of the claims is infringed by a particular product or process, payment of royalties under Article X will be suspended with respect to such product or process if OMNI-TECHNIK is then producing such a product or using such a process.

- C. If any court holding of invalidity or non-infringement is not appealed or is sustained by a reviewing court of last actual resort, the royalties so suspended will not thereafter be payable by OMNI-TECHNIK, but if any such court holding is reversed by a reviewing court of last actual resort, the royalties so suspended will be promptly paid by OMNI-TECHNIK.
- D. In the event suit is brought against OMNI-TECHNIK alleging the infringement of any now issued patent owned or controlled by another party which allegation is based on and arises out of the practice, in and of itself, of the claimed inventions of any of the now issued Licensed Patents, NCR will co-operate with OMNI-TECHNIK in defending such suit. During the pendency of such suit OMNI-TECHNIK will have the right to withhold payment of one-half (1/2) of the royalties due under Article X hereof, and may use the royalties so withheld for reasonable legal and other expenses incurred by it in the defense of such suit; and in the event final judgment is rendered against OMNI-TECHNIK, the balance of the royalties withheld may be applied by OMNI-TECHNIK to the satisfaction of such final judgment, and any unspent balance of withheld royalties will be paid by OMNI-TECHNIK to NCR. If the withheld royalties are not sufficient to satisfy said judgment, the balance thereof will be paid by OMNI-TECHNIK, which may retain one-half (1/2) of all royalties due thereafter until fully reimbursed for its payment of said judgment.

payment and withholding of royalties will be applicable only in the country or countries in which the Licensed Patents and claims thereunder are the subject of such court proceedings and only with respect to Licensed Products manufactured and/or sold therein by OMNI-TECHNIK; and such provisions will have no application in any country in which NCR has effective patent protection.

IN WITNESS WHEREOF, NCR and OMNI-TECHNIK have caused this License Agreement to be executed in duplicate by their duly authorized representatives as of the day and year first above written.

THE NATIONAL CASH REGISTER COMPANY

Ву

Title Vice President & General Manager

Special Products Division

r Hen

OMNI-TECHNIK

Bv

Title Geschäftsführer

Managing Druellas

AMENDMENT TO LICENSE AGREEMENT

This AMENDMENT TO LICENSE AGREEMENT shall serve to modify the LICENSE AGREEMENT dated April 3, 1969 by end between THE NATIONAL CASH REGISTER COMPANY, a corporation organized under the laws of the State of Maryland, United States of America, hereinafter referred to as "NCR" and OMNI-TECHNIK, a corporation organized under the laws of the Federal Republic of Germany, having its registered office at Munich, Federal Republic of Germany, hereinafter referred to as "OMNI-TECHNIK",

WHEREAS, OMNI-TECHNIK is desirous of enlarging the coope of "Licensed Products" as defined in the LICENSE ACREE-MENT; and

WHEREAS, NCR is willing and able to anlarge the scope of "Licensed Producta":

NOW, THEREFORE, in consideration of the increased mutual benefit so-obtained, it is hereby agreed by and between NCE and OWNI-TECHNIC tant ARTICLE I, G. of the LICENSE AGREEMENT is canceled and the fellowing in substituted therefor;

G. The words "Licensed Products" mean any or all of the following:

Group 1

End product achesive compositions consisting of or containing capsules which employ or are made by the use of any of the inventious of the Licensed Patenta, such compositions to be used specifically for securing, fastering and secling metal to metal, metal to placific and metal and plastic to concrete and metals a shorter to concrete.

Group 2 End product and bulk adhesive compounds and in Widwal components used to trigger or promote chemical reactions in the use of adhesive compounds consisting of or containing capsules which employ or are made by the use of any of the inventions of the Licensed Patents. Specifically excluded from Licensed Products are adhesive materials for use as fabric, shoe or well covering applications.

End product and bulk compounds or compositions consisting of or containing capsules which employ or are made by the use of any of the inventions of the Licensed Patents, such compounds or compositions to be used specifically for inhibiting surfaces, etching surfaces, and/or chemically inactivating surfaces.

This AMENDMENT TO LICENSE AGREEMENT in no way altern the meaning or effect of the unamended remainder of the LICENSE AGREEMENT.

To confirm their understanding of, and agreement with the above modification, NCR and OMNI-TECHNIK have caused this AMENDMENT TO LICENSE AGREFMENT to be executed in duplicate by their duly authorized representatives.

,	Вy	7-1- Hans	de a
	THE N	VATIONAL CASH REG	GISTER COMPANY
By	Arlin Vein		
Date	OMNI-TECHINK -June-26, 4972	news	

Special Products Division Main and K Streets Dayton, Ohio 45409, U.S.A.

November 14, 1972

License Conversion

Gentlemen:

omniTECHNIC wishes to declare effective the License Agreement dated April 3, 1969 by the payment of 12,500 dollars (U.S.) enclosed herewith and by acknowledgement and assumption of the liability of 25,000 dollars (U.S.) as specified in Article IIB of the License Agreement.

Enclosed herewith, please find a cheque no. 0092607 issued by Merck, Finck & Co., amounting to US \$ 12,500 (Twelve Thousand Five Hundred Dollars) on the Irving Trust Company, 1 Wall Street, New York, for your account.

You will certainly appreciate that our decision to convert was taken very reservedly as the important question of the validity of the exclusivity period for Group 1 of the License Agreement has not found a satisfactory solution.

Should your point of view be "that the exclusivity period has always begun with the date of the original License Agreement" we can oppose the following arguments:

- 2 -

Goschiffst Geschich Dick-ling E. Keine-Weiss Glund Charles Off 16 J. Charles High P.J. C. Reichelder G. Chrystophi M. Charles

- 1.) Last year, i.e. during the period in which, as to your opinion, we had exclusive rights in Germany, EURAND (NCR) became active in the field of our Licensed Products. In our letter of September 27, 1971, we informed you on the existing contact between EURAND and KAMAX, Osterode, a very wellknown screw manufacturer, which rendered very difficult our own negotiations with this prospective customer.
- 2.) Our main competitor on the field of anaerobic plastics, the LOCTITE Corp., introduced microencapsulated products to several interested enterprises, this year. And, without exception, the enterprises concerned were exactly the same with which we had already good contacts. Until recently, we were convinced that the products offered by LOCTITE were not encapsulated according to the NCR method. But, unfortunately, we know for certain now that there is a contact between NCR, Dayton, and LOCTITE already existing for some time and that LOCTITE products encapsulated by NCR under a jeb contract are offered on the German market. Due to the fact that with our customers we always emphasized our limited exclusivity we had suffered an important loss of truthworthiness.

Even if you have other considerations which would make it difficult to provide an extension beyond the date already specified, as mentioned in your telex no. 288213 of October 31, 1972, we would appreciate your reconsidering this question.

This situation, which probably is due to different circumstances, should perhaps be discussed in a personal meeting, offering the possibility to find a satisfactory solution for both of us.

Our declaration of effectiveness of the License Agreement and our paying the amount due with the check enclosed show our real and earnest interest in a further cooperation with you. We are convinced that a reliable cooperation is the best way for achieving satisfactory results for both parties.

Up to now, we always were of the opinion that the exclusivity period starts with the date of the conversion and all our respective decisions were based on this fact. We, therefore, kindly ask you to grant us an extension of 3 years from the date of conversion.

This extension would then enable us to conclude the 3 long-term delivery contracts which we have already prepared and which base on our limited exclusivity in Germany. These prospective contractants are very wellknown enterprises of worldwide importance, working on the field of dowels, sealants and screws, respectively. The latter business having the smallest volume.

In a 2-years-cooperation with us these enterprises performed expensive large-scale tests and elaborated difficult application methods. We and the NCR have the possibility of disposing of this knowledge for the disclosure of all international markets and the turn-over involved is substantial. The promotion value for the future marketing of encapsulated products on the technical field is of worldwide importance. We would appreciate your considering these facts when taking your final decision.

Very truly yours, omniTECHNIC GmbH

Kuhn - Weiss

Encl.

RECEIVED

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MARKETING AND LICENSING CLI-SULAR PROPERTS DIVISION

Attachment F



W.T. Myers, Jr.

Battle Creek

A.M. Predmore

January 30, 1984

RE: SPLIT OF CAPITAL COST FOR EFFLUENT TREATMENT BETWEEN ANGELL AND FOUNTAIN MILLS

Dear Al:

Eran

In order to determine how the City Treatment Plant capital costs for which St. Regis is obligated should be split between the Fountain Mill/Carton Plant and the Angell Mill, I have calculated the Flow, Solids and BOD loadings for the two mills for the year 1983. In that the mills ran a different number of days, the percent of contribution of each mill was calculated on an average daily basis rather than on the totals for the year. The attached Table shows that the Angell Mill contributed between 42.5 and 44.3% of the loadings in each category. Based on this information, I recommend that the Angell Mill pick up 45% of the capital charges and the Fountain Mill should be responsible for the remaining 55%. I have attached Schedule 17 from the Rate Consultants report to the City showing the industries capital payments required over the life of the bonds. The St. Regis portion of the industry payments is 35.5%.

Because of the successful completion of projects aimed at reducing the flow from the two mills in December 1983 and January 1984, the Fountain Mill flow has been reduced below that of the Angell Mill on an operating day basis. As you are aware, budget items have been included in the 1984 Capital Budget to reduce the flows at both mills even more. Because the contract for the City was negotiated during a period of time when both mills had higher flows, I think it is only fair to use the actual performance in 1983 as a basis for splitting the capital costs for the mills in Battle Creek. There may be some argument over this approach, but the highest percentage that I think syould be used would be a 50-50 split.

There still are some items pertaining to the charges for effluent treatment which must be negotiated with the City. These are; (1) the establishment of new contract capacities for Flow, BOD, and Solids, (2) the penalties which industry will incur if it exceeds capacities, and (3) the wording of the contract itself. I understand that negotiations on these items will be taking place in the near future.

W.T. Myers, Jr.

WTM: ih

CALCULATION OF LOADINGS BETWEEN ANGELL AND FOUNTAIN FOR 1983

Days of Opera	ation:		
	Angell Fountain	309 286	
Flow Data			
Total Fl	.ow, gallons/year		
	ngell 'ountain	458. 4525 x 10 ⁶ 567. 1109 x 10 ⁶	
Average	Daily Flow,	gallons	<u> </u>
F	ngell Ountain Otal	1.483665 x 10 ⁶ 1.982905 x 10 ⁶ 3.46657	42.799 57.201 100.00
Solids Data			
Total So	lids		
	ngell	229 2.509 x 10 ⁶	
	ountain	2666.712 × 10 ⁶	
Average 1	Daily Solids,	lbs.	8
Aı	ngell	7.4191×10^6	44.31
F	ountain	9.3242×10^6	55.69
Tt	otal	16.7433×10^6	100.00
BOD Data			
Total BOI)		
Ar	ngell	1126.613×10^6	
Fo	ountain	1409.375×10^6	
Average D	Daily BOD,	lbs.	96
An	ngell	3.646 x 10 ⁶	42.52
	puntain	4.928 x 10 ⁶	57.48
	_		

Total

 8.574×10^{6}

100.00

SCHEDULE 17

OF BATTLE CREEK SEWAGE DISPOSAL SYSTEM

SCHEDULE OF DEBT SERVICE REQUIREMENTS

ALLOCATED TO UPGRADING

	A Section of		THE PARTY OF THE				
Unlimited Tav		Wastewater					
Wastewater 6.		🛴 & Sewage 🦪	Sewer :	√ Sewage. 🌣			
Sewage 🐍	Sewage Disp.	Disposal	General 🔆 🖔	. Di sposal	Sewage		
Disposal	System Bonds	System Bonds	Obligation	System	Disposal		
System Bonds	1983 Series	1981 Series	Bonds 😽 🤼	Bond 8	Plant		
Year 1983 Series A	Bill	A	2/1/78	5/1/66	Bonds 1960	Total	
1983 \$ 4,542,80		\$180,752.00	\$18,785.40	\$50,026.45	\$90,820.98	\$351,244.57	
1984 17.821.51		185,042.00	-:-18.331 -75 3		92,846.17	389,663.47	
1985 17,462.74	24,677.09	2188,760.00	\$17,954 771	50,079,63	5 90 7 46.475	392,077.34	
1986 2 19,199147	24,110,76	191,906,00	17,579768	49,492.85	92,302.26	394,591.02	
1987 18,658131	25,641,947	189,046:00	17,196760	49,735.72	94,096.00	394,374.57	
1988 3 18,117,16	26,984,34%	3186,186.00	16,807,46	49,924.95	93,453.72	391,473.63	, ,
1989 景 19,774 18	26,040,462	188,760.00		50,060.53	92,730.44	397,713.60	
1990 19,165,91				50,142,45	94,200.15	401,384.59	
	26,392.84	192,192.00		57,275,00	2121556	/ 343,166.16	
1992 19,821738	27,496,13	3,193,050.00		58,380,62	743,295.89	343,393.95	
1993 3 21,079,87	28,389,66	193,336.00	42,599,333	59,377,50 ₈	462	344,782.36	
20.035.32	291077864 x	1 214, 7 86, 00	24,818.02	58,842,819		347,559.79	
1995 21:050:51	291532,80	2227270.00		58,253.75		342,213.06	
1996 23,953,45	27,666.03	243,672.00		57,610.31		352,901.79	
1997 22,254,47		235,592.50		21/2021		289,917.74	
	* +31,714.20 ⁻⁴		1.410	741,276.70		275,945.70	
1999		207,350.00	1,1613	THE REST		207,350.00	
2000		193,050.00				193,050.00	
2001		178,750.00		14631	77.10	178,750.00	
2002	200	164,450.00		7:16		164,450.00	
2003	OX.	150,150.00				150,150.00	
		15.84				6,646,153.	
						- 1443,172	
				- 2 2 5	en. Marie en set	,5,187,981.	10
				a bucky	diameter d	I	
					1	1245,332	.44

ACREEMENT

This Agreement made and entered into as of the first day of July 1972, by and among THE NATIONAL CASH REGISTER COMPANY, a Maryland corporation with its principal offices at Main and K Streets, Dayton, Onio, United States of America (hereinafter called "Dayton"), THE NATIONAL CASH REGISTER COMPANY LIMITED, a wholly-owned subsidiary of Dayton, incorporated in England and having its registered office at 206/216 Marylebone Road, London, N.W. 1, England (hereinafter called "London") and WIGGINS TEAPE LIMITED, incorporated in England and having its registered office at Gateway House, 1, Watling Street, London E.C. 4, England (hereinafter called "WT").

WITNESSETH:

WHEREAS, WT has been manufacturing and selling pressuresensitive products commonly known as "carbonless-papers" under an Agreement among the parties hereto, as amended, dated March 24, 1966; and

WHEREAS, notice has been given to terminate the said Agreement of March 24, 1966 and all agreements supplemental thereto effective June 30, 1976; and

WHEREAS, the parties are desirous of entering into a new Agreement which shall supersede the said Agreement of March 24, 1988, or amended and supplemented, effective July 1, 1972.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements, the parties hereto agree as follows:

ARTICLE I

Definitions

- A. NCR Group: Means Dayton and any other company which is a subsidiary of Dayton.
- B. WT Group: Means WT and any other company which is a subsidiary as defined in Section 154 of the English Companies Act of 1948 of WT.
- C. Pressure-sensitive Products: Means papers, fabrics and other sheet materials on, in or by means of which marks contrasting in color with the color of such papers, fabrics or other materials become visible if pressure is applied whether to a single sheet, layer or band thereof or to two or more sheets, layers or bands thereof comprising or forming part of a pressure-sensitive marking system (other than any such papers, fabrics or other materials which fall within the class of copying

- (1) a multi-sheet material such as paper which has on or adjacent a surface of one sheet microcapsules containing an oily color reactant for transfer to a second sheet carrying a co-reactant for said oily color reactant to form a legible mark on said second sheet when said sheets are superimposed, one on the other, in such a manner that at least some of the microcapsules of one sheet are in proximity with at least some of the co-reactant material on said second sheet, and pressure is applied, as by a typewriter, sufficient to rupture the microcapsules so that, when this is done, a legible mark appears on the surface of the sheet carrying the said co-reactant material; and
- (2) a sheet, such as a sheet of paper, in which microcapsules containing an oily color reactant are in proximity with a co-reactant material (e.g. a finely-divided solid material), both reactants being present as a part of the sheet, whether with one or both reactants being incorporated within the sheet or coated on the surface thereof; the oily color reactant and the co-reactant material being reactive with each other so that, when the microcapsules are ruptured by pressure applied to the sheet, as by a typewriter, the oily color reactant is released and reacts with the co-reactant material to form a legible mark on said sheet.
- D. Emulsion: Means any pressure rupturable material (here-inafter referred to as "the said emulsion") which can either
- (1) be applied to one or other or both surfaces of sheets, layers or bands of papers, fabrics or other sheet materials which after the manufacture of such papers, fabrics or materials in their original forms has been completed are not pressuresensitive products but which after the application of the said emulsion become pressure-sensitive products, or
- (2) be incorporated in papers, fabrics or other sheet materials during the manufacture thereof so that they become pressuresensitive products.

E. Encapsulation: Means:

- (1) The making of capsules en masse by any process which results in the formation of one or more continuous walls around any nuclei of any state, composition or structure of which the following are two examples:
 - (a) The making of capsules on masse by any process which results in the formation of continuous walls of solid polymeric films around nuclei of any state, composition or structure which process includes at the time of the formation of a deposition around the nuclei the dispersion of the nuclei in a liquid or fluid manufacturing medium in which the polymeric capsule wall

material then in a liquid state is immiscible and which includes the subsequent conversion of the liquid polymeric walls to solid polymeric films;

- (b) The making of capsules en masse by any process which results in the formation of continuous walls of solid polymeric films around any nuclei of any composition which process includes dispersal of the nuclei in a liquid or fluid manufacturing medium with the polymeric wall formed in situ by any chain propagating polymerization reaction wherein such reaction occurs at or near the nuclei interface;
- (2) Any recovery of the capsule as hereinafter defined from the medium; and
- (3) Any treatment of the capsule as hereinafter defined to affect its properties.

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- F. Capsule: Means any entity comprising one or more nuclear entities surrounded by a containing wall and made by encapsulation and any material forming part thereof.
- G. Further Conversion Process: Means any process which may be applied to pressure-sensitive products after their original manufacture has been completed such as but by way of example only and not so as to limit the generality of the foregoing the process of making up pressure-sensitive products into continuous stationery or invoice pads but does not mean any of the processes of reeling, slitting and cutting into sheets.
- H. Know-how: Means any knowledge, discovery or invention (whether patentable or not) now or at any time hereafter until July 1st next after notice to terminate has been given, owned or controlled by the NCR Group or the WT Group which relates to, or is being used or could be used in, the manufacture of pressure-sensitive products or in the preparation (including encapsulation), treatment, modification, manufacture or use of any raw material (including capsules), equipment, plant, machinery, processes or means or methods for the design, manufacture or control of pressure-sensitive products.
- I. Patents: Means United States and foreign letters patent currently owned or hereafter acquired during the term of this Agreement by the NCR Group or the WT Group and relating to the know-how.
- J. Manufacturing Territory: Means those countries and territories listed in Schedule 1 hereto as they are presently constituted and those countries and territories within the area edged in red on the map attached hereto as Schedule 2.
- K. Marketing Territory: Means the whole world except the United States and Canada as presently constituted.
- L. Year of this Agreement: Means any year commencing on a July 1 and ending on a June 30 beginning with the year commencing July 1, 1972.

- M. Half Year of this Agreement: Means any period of six months commencing on a January 1 or a July 1 beginning with the half-year commencing July 1, 1972.
- N. Quarter: Means period of three calendar months ending on a March 31, a June 30, a September 30 or a December 31 during any year of this Agreement.

ARTICLE II

License

- A. Manufacturing: Dayton hereby grants to WT an exclusive license under the patents and know-how of the NCR Group to manufacture the said products including the ingredients thereof in the manufacturing territory.
- B. Marketing: Dayton hereby grants to WT a non-exclusive license under the patents and know-how of the NCR Group to sell the said products in the marketing territory.

ARTICLE III

Royalties and Reports

- A. Obligation: WT shall be obligated to pay royalties to Dayton and London with respect to the said products manufactured hereunder when they are
- (1) Sold to any customer who is not a member of the WT Group, or
- (2) Sold to a distributor which is a member of the WT Group, or
- (3) Used by any member of the WT Group for any further conversion process, or
 - (4) Finally used by any member of the WT Group.

The said products manufactured hereunder shall be subject to royalty only once and the net value of the said products for royalty calculation purposes shall be fixed at the time when the first of any of the foregoing events occurs. No royalty shall be payable upon the said products returned by customers, distributors or users.

- B. Rates: Royalties becoming due shall be paid at the following rates:
- (1) During each year of the Agreement from July 1, 1972 through June 30, 1976

- (a) 4% of the net value of the first 20,000 tons (2,000 pounds per ton).
- (b) 3-1/2% of the net value of the next 10,000 tons.
- (c) 3% of the net value of the next 10,000 tons.
- (d) 2-1/2% of the net value of the next 10,000 tons.
- (e) 2% of the net value of all in excess of 50,000 tons.
- (2) 2-1/2% of the net value during the period from July 1, 1976 through December 31, 1977.
- (3) 2-1/4% of the net value during the period from January 1, 1978 through December 31, 1978.
 - (4) 2% of the net value from January 1, 1979 and thereafter.

For the purpose of royalty calculation "net value" shall be WT's relevant list price less discounts, allowances for faulty products, and, where appropriate, charges for packing, freight, insurance, sales taxes, value added taxes and customs duties.

- C. Payments: Royalties shall be calculated quarterly and shall be paid within one calendar month after the end of each quarter. Royalties attributable to the said products manufactured in the United Kingdom of Great Britain and Northern Ireland, the Isle of Man, the Channel Islands and the Republic of Ireland shall be paid one half to Dayton and one half to London in pounds sterling. Royalties attributable to the said products manufactured elsewhere in the manufacturing territory shall be paid one half to London and one half to Dayton in the local currencies of those countries where manufacture took place.
- D. Records and Reports: From time to time WT shall supply to the other parties copies of its relevant price lists together with details of the terms and conditions under which it sells the said products.

WT shall keep all such records and books of account in sufficient detail to enable the royalties payable hereunder to be determined and will permit such records and books to be examined by the other two parties or their auditors at reasonable times, not exceeding once per quarter, to verify the records and payments provided for hereunder.

With each payment of royalties as provided in Section C of this ARTICLE III WT shall supply to each of the other parties a written statement showing the aggregate amount of royalties payable for the quarter covered by the statement.

ARTICLE IV

Emulsion Supply

A. United Kingdom: Under the terms and conditions of a separate Agreement WT has contracted with London to purchase London's Borcham Wood emulsion plant with which it intends to produce emulsion for the manufacture of the said products.

B. Europe:

(1) Supply: During the term of this Agreement WT agrees to buy its requirements (but not to exceed 11,000,000 dry pounds per year) for emulsion for manufacture of the said products in Europe (excluding the United Kingdom and Ireland) from a plant at Leihgestern near Giessen, Germany owned by Dayton's German subsidiary. (NRK)

All such emulsion shall be produced in accordance with such specifications as WT shall from time to time provide.

In the event the Leihgestern plant is unable to produce all of such WT requirements for any period WT shall be free to produce or buy elsewhere the amounts necessary to meet its requirements during such period in full.

In the event such WT requirements do not utilize the full capacity of the Leihgestern plant, Dayton or its German subsidiary may utilize such excess to produce and sell capsules or an emulsion for use in any products other than the said products.

(2) Price: Representatives of Dayton's German subsidiary (NRK) and WT have met and established a current price for the said emulsion.

Dayton agrees that NRK will sell such requirements (but not to exceed 11,000,000 dry pounds per year) for emulsion to WT at the current price (to be modified if there is a change in the formulation specified by WT to the extent of the cost changes resulting from the change in the formulation) until a permanent pricing formula can be negotiated which shall be done as soon as practicable but no later than July 1, 1973.

As soon as practicable representatives of Dayton, NRK and WT will commence negotiations for such pricing formula to be applied during the term of this Agreement. Such representatives may consider various approaches but in no event will the formula finally adopted result in prices to WT any less favorable than those which it enjoyed under the formula specified in the said Agreement of March 24, 1966, as that formula may have been modified (with reference to emulsion to be produced at the Giessen plant) by correspondence between Dayton and WT. Further, any such formula adopted will contain appropriate provisions for audit.

During the term of this Agreement the emulsion price shall be payable in the same currency as NRK's purchases of the said products from WT.

ARTICLE V

Interchange of Information

- A. General: It is the intent of the parties that there be a continuous, complete and timely flow between the NCR Group and the WT Group of all information constituting know-how and all other information helpful for the development, manufacture or sale of the said products, with the further intent that such information is principally for the benefit of the parties and therefore to be held in confidence except as hereinafter specifically provided.
- B. Disclosure: Know-how and such other information (except such information as a party may have received in confidence from a third party containing a restriction against further disclosure) will be disclosed among the parties from time to time in such manner as set forth in such general rules as the parties have adopted and might hereafter adopt consistent with the general intent as provided in Section A of this ARTICLE. It is expressly understood however that such information to be so disclosed will include all such know-how and other information withheld by either the NCR Group or the WT Group since July 1, 1971.
- C. Confidential: All know-how and such other information disclosed pursuant to the foregoing provisions of this ARTICLE is of a confidential nature and the parties will take all reasonable precautions to prevent the disclosure to third persons of any of such information except that the NCR Group and the WT Group shall be tree—to disclose such information:
- (1) To any person to the extent necessary to enable it to exercise its rights and licenses hereunder;
- (2) To any research institute in confidence containing restrictions against further disclosure to a third person; and
 - (3) Which comes into the public domain.

Notwithstanding anything provided in this ARTICLE or any general rules adopted by the parties to the contrary, no party shall disclose or use any know-how or other information which when disclosed to it was identified as intended for patenting, in any manner which might jeopardize the obtaining of a patent with respect thereto by the party who made the original disclosure. Each party receiving such confidential information will disclose it only to those of its employees whose work requires them to know and will instruct such employees as to the obligations contained in this paragraph.

D. Use: The WT Group shall have the right to use such know-how and other information disclosed to it in accordance with the provisions of ARTICLE II of this Agreement.

The NCR Group shall have the right to use such know-how and other information disclosed to it:

- (1) for the manufacture of the said products anywhere except the manufacturing territory
 - (2) for the sale of the said products anywhere in the world.
- E. Effects of Termination: The rights to use the know-how and other information (except any covered by patents) disclosed under this Agreement shall not be affected by termination of this Agreement.

The obligations of confidence contained in this ARTICLE will survive any termination of this Agreement.

Effective the 1st of July following the giving of a notice of termination as hereinafter provided, the obligation to disclose such know-how and other information as shall have come into being after such July 1st shall cease.

ARTICLE VI

Patents

- A. Existing Patents: As soon as practicable but no later than August 1, 1972
- (1) Dayton shall supply WT with copies of NCR Group patents relating to know-how; and
- (2) WT shall supply Dayton with copies of WT Group patents relating to know-how.
- B. WT Group Rights: WT shall receive licenses pursuant to ARTICLE II hereof with respect to all patents obtained or acquired by the NCR Group prior to or during the term of this Agreement relating to know-how and which are necessary or desirable for the manufacture of the said products. Such licenses terminate upon the termination of this Agreement as hereinafter provided.

As soon as it may legally do so without jeopardizing the validity of any pending or future patent application relating to know-how Dayton will furnish WT with details, including copies of such patent applications.

C. NCR Group Rights: Dayton shall receive royalty-free non-exclusive licenses (except to manufacture the said products in the manufacturing territory) under all patents obtained or acquired by the WT Group prior to or during the term of this Agreement relating to know-how and which are necessary or desirable for the manufacture of the said products. Such licenses may be used by the NCR Group only and only for the said products. Such licenses terminate upon the termination of this Agreement.

As soon as it may legally do so without jeopardizing the validity of any pending or future patent application relating to know-how WT

9.

will furnish Dayton with details, including copies of such patent aplications.

D. Sublicensing by Dayton: If at any time Dayton has or makes an agreement with another person for the licensing of the NCR Group's know-how and patents for the manufacture and sale of the said products Dayton will notify WT and such other licensee of the existence of the respective licenses and will arrange for consultation between WT and such other licensee relating to the sublicensing of patent rights. Sooth parties thereto agree, as evidenced by their filing written consents with Dayton, Dayton will grant appropriate sublicenses without additional royalty to the other licensee of the licenses it receives from WT hereunder and vice versa.

ARTICLE VII

Infringements

A. Of NCR Group Patents in Manufacturing or Marketing Territories: If Dayton or WT is of the opinion that anyone is infringing patents of the NCR Group in the manufacturing or marketing territories Dayton and WT will consult together as to whether it is desirable and practicable to proceed against the infringer.

If it is mutually agreed to institute proceedings Dayton and WT will share the expenses of prosecution and damages or other compensation recovered.

If it is not mutually agreed to institute proceedings Dayton or WT may if it so wishes proceed alone at its own expense and any recovery shall belong solely to it but the other of them shall, upon being indemnified against costs and damages, give all assistance and do all things necessary to enable it to proceed with the litigation.

B. Actions against WT: If suit shall be threatened against WT charging that its manufacture or sale of the said products produced under the know-how of the NCR Group infringes a third party's patent Dayton and WT shall consult on the matter and Dayton shall decide whether WT shall take a royalty bearing license, payments for which may be set off against up to one-half of the royalties payable hereunder, or whether to let the matter proceed to litigation.

In the event suit shall be brought against WT alleging the infringement of any third party's patent by the manufacture or sale of the said products produced by WT under the know-how (all or in part) and on any patent of the NCR Group, Dayton shall cooperate with WT in the defense of such action.

During the pendency of such action WT shall have the right to withhold one-half of the royalties due and payable to Dayton and London and to apply the same against the legal and other expenses incurred in the defense.

In the event judgment is rendered against WT, WT may thereupon withhold all of the royalties due and payable and to become due and payable hereunder and to apply the same against the judgment and any unrecovered balance of legal and other expenses of the suit until all of these items are fully satisfied.

If under the terms of the judgment or in a settlement prior to judgment it is necessary for WT to accept a royalty-bearing license in order to be able to continue the manufacture and sale of the said products at quality and cost levels comparable to those prior to the judgment WT may withhold:

- (1) Up to one-half of the royalties due and payable and to become due and payable hereunder and apply the same toward the satisfaction of the said royalty bearing license if said infringement and resulting license involved the non-patented know-how of the NCR Group; or
- (2) All of the royalties due and payable and to become due and payable hereunder and apply the same toward the satisfaction of the royalty bearing license if said infringement and resulting license arose from a holding of invalidity of a patent of the NCR Group.

Dayton shall have no liability to WT under this section B beyond the royalties permitted to be withheld.

C. Of WT Group Patents in United States and Canada: If Dayton is of the opinion that any one is infringing in the United States or Canada any of the licenses granted to Dayton by WT under Section C of ARTICLE VI hereof WT, upon being indemnified against costs and damages, shall give all assistance and do all things necessary to enable Dayton to prosecute the infringement.

ARTICLE VIII

Termination

A. Breach: WT and Dayton will each have the right to terminate this Agreement and the license hereby granted at any time in the event of breach by the other of any of the provisions of this Agreement, provided that such breach has not been remedied within ninety (90) days after written notice of such breach has been received by WT or Dayton as the case may be.

. In the event the Agreement is terminated WT shall nevertheless have the right to dispose of all stock of the said products previously manufactured upon payment of royalties and observance of the other terms and conditions of this Agreement.

B. Consultation: During any year in which notice of termination may be given as provided in Section C of this ARTICLE Dayton and WT shall have discussions as to whether or not this Agreement should be revised. Such discussions shall be held during the period between January 1st and March 31st of each such year at such time and place as Dayton and WT might agree.

- C. Optional Termination: In the event the NCR Group sells all or substantially all of its business relating to the said products and WT is unwilling to consent to the assignment of this Agreement to the purchaser WT shall have the option to terminate this Agreement upon one year's prior written notice. In the event of termination under this section WT shall nevertheless be free to continue to manufacture and sell the said products under the know-how and patents being used by it at the time of such termination.
- D. Term: Unless terminated earlier as provided in Section A or Section C hereof this Agreement shall continue in force through June 30, 1980 and thereafter; provided however WT or Dayton may terminate this Agreement effective July 1, 1980 or any July 1 thereafter upon not less than thirty-six (36) months nor more than thirty-nine (39) months prior written notice.

ARTICLE IX

Miscellaneous Provisions

- A. Unfulfilled Demand: If Dayton or WT are of the opinion that there is a substantial unfulfilled demand for the said products in any part of the manufacturing territory they will consult together on ways and means of alleviating this demand.
- B. Notices: Notices required or permitted under this Agreement may be sent by registered air mail to the principal or registered offices of the parties and shall be deemed to have been served on the seventh day after being duly posted.
- C. Use of Name: During the term of this Agreement WT is free to use the name or names used by Dayton or London for the said products.
- D. Parties: The rights and obligations provided in this Agreement shall inure to the benefit of and be binding upon the signatories hereto and their subsidiaries.
- E. Assignments: Without the written consent of the others none of the parties shall have the right to assign or otherwise transfer its rights or obligations under this Agreement except an assignment or transfer to a successor in interest by merger, by operation of law, assignment, purchase or otherwise of the entire business of Dayton or WT; provided, however, that such successor expressly assumes and agrees to perform all of the obligations herein contained.
- F. Sublicenses by WT: WT shall not without the prior consent of Dayton, which shall not be unreasonably withheld, grant any sublicenses in respect of its rights hereunder except that WT shall without such consent be entitled to grant such a sublicense to Papeteries de Virginal S.A. in substitution for the rights granted to it by WT in accordance with a consent given by Dayton and dated January 15, 1970.

- G. Headings: The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any ARTICLE or section hereof.
- H. Counterparts: This Agreement may be executed in three counterparts, each of which shall be deemed to be an original.
- I. Superseding Agreement: Upon execution hereof, this Agreement supersedes, effective July 1, 1972, the Agreement among the parties dated March 24, 1966 and all amendments and supplements thereto; provided however that the said prior Agreement and all amendments and supplements thereto remain in full force and effect:
- (1) with respect to any right or obligation thereunder which accrued prior to July 1, 1972; and
- (2) in respect of the rights granted thereunder by WT to Papeteries de Virginal S.A. in accordance with a consent to such grant given by Dayton and dated January 15, 1970.
- J. Construction: Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.
- K. Governing Law: This Agreement shall be deemed to be a contract made under the law of the State of New York, United States of America and for all purposes it shall be construed in accordance with and governed by the law of such state.
- L. Arbitration: Any disputes arising in connection with this Agreement which the parties are unable to settle by agreement shall be settled by arbitration under the Rules of the International Chamber of Commerce. Any such arbitration shall be held in London in the English language and judgment upon the award of such arbitration may be entered in any court having jurisdiction in the matter.

IN WITNESS whereof the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

ATTEST:	THE NATIONAL CASH REGISTER COMPANY
Zami, Elamber	By Tobit S. D. Eleana
Secretary /	Title Haconian
(Seal)	•
	The Common Seal of THE NATIONAL CASH
	REGISTER COMPANY LIMITED was hereto
	affixed in the presence of:
	Director

(Seal)

1)

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The Common Scal of WIGGINS TEAPE LIMITED was be reto affixed in the presence of:

Director

Antigua Guyana Hong Kong Commonwealth of Australia and its Territories The Republic of India Bahamas Islands Jamaica Bangladesh Kenya Barbados Lesotho Bermuda Malawi Botswana Malaysia British Antarctic Territory Mauritius and its Dependencies British Honduras Montserrat The British Indian Ocean Territory The New Hebrides Dominion of New Zealand and The British Solomon Islands her Island Territories Protectorate The British Virgin Islands The Federal Republic of Nigeria The Ropublic of Pakistan The State of Brunei Pitcairn Islands Group The Cayman Islands Rhodesia The Central and Southern Line Islands St. Christopher-Nevis-Anguilla Ceylon The Island of St. Helena and its Dependencies Cyprus St. Lucia Dominica St. Vincent The Falkland Islands and Dependencies Seychelles Fiji Sierra Leone The Gambia Singapore

The Republic of South Africa

South West Africa

Southern Yemen

The Republic of Ghana

Colony

The Gilbert and Ellice Islands

Grenada and the Grenadines

SCHEDULE 1 (cont'd.)

Swaziland

The United Republic of Tanzania

The Kingdom of Tonga

Trinidad and Tobago

Turks and Caicos Islands

Uganda

Western Samoa

The Republic of Zambia

THIS AGREEMENT, made and entered into effective December 1, 1972, by and between THE NATIONAL CASH REGISTER COMPANY, a Maryland corporation, having an office in Dayton, Ohio, hereinafter called "NCR", and CHAMPION INTERNATIONAL CORPORATION, a New York corporation, having an office in New York City, New York, hereinafter called "CIC",

WITNESSETH that:

WHEREAS, NCR is the owner of patents and patent applications, both foreign and domestic, relating to the production and use of capsules, and NCR is engaged in the manufacture of capsules and in the manufacture, use and sale of "carbonless copy paper" (sometimes referred to as "NCR paper");

WHEREAS, CIC is the owner of various patents and patent applications relating to capsules and is engaged in the production of capsules and in the manufacture, use and sale of "carbonless copy paper" including capsules;

WHEREAS, CIC is the owner of various patents and pending applications in the United States relating to Capsular Opacifiers (hereinafter defined);

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WHEREAS, NCR and CIC, in the light of the relative value of their respective relevant patent holdings have jointly concluded that their respective needs and interests will be served and future controversies will be avoided by an exchange of immunities all under the conditions stated in the remaining Articles of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual and reciprocal promises, covenants and agreements hereinafter set forth, the parties have agreed and do hereby agree as follows:

ARTICLE I

Definitions

- 1. The term "Encapsulation" means a process of making capsules by formation of a continuous wall of natural and/or synthetic polymeric material around individual nuclei of whatever state, composition, structure or number of nuclear entities.
- 2. The term "Capsule" means any entity comprising one or more nuclear entities surrounded by a polymeric wall and made by the process defined in Section 1 of this ARTICLE I.

- 3. The term "Capsular Opacifiers" means Capsules having air as the nuclear entity which is surrounded by a polymeric wall, which Capsules are incorporated in or on paper for opacifying the paper.
- 4. The term "Capsular Opacifier Products" means paper carrying Capsular Opacifiers wherein said Capsular Opacifiers are substituted on said paper for inorganic opacifying pigments, such as titanium dioxide, calcium carbonate and clay, as conventionally used in papermaking for opacifying paper.
- of NCR or its Affiliates, worldwide, which claim inventions that relate in any manner to Capsules, products bearing or otherwise utilizing Capsules or Encapsulation processes, issued or issuing on patent applications filed prior to the effective date of this Agreement, or filed subsequent thereto but receiving, or entitled to receive, the benefit of a domestic or foreign filing date prior to said effective date of this Agreement.
- 6. The term "CIC Granted Patents" means all United States patents of CIC or its Affiliates which claim inventions that relate in any manner to Capsular Opacifiers or Capsular Opacifier Products or processes for making either, issued or issuing on patent applications filed prior to the

effective date of this Agreement, or filed subsequent thereto but receiving, or entitled to receive, the benefit of a domestic or foreign filing date prior to said effective date of this Agreement.

7. The term "Affiliate" of CIC or NCR shall include any corporation, firm, partnership or other form of business organization as to which control of the business can be exercised by CIC or NCR, respectively, and any parent or subsidiary of CIC or NCR as to which parent or subsidiary the one owns more than fifty percent of the other's stock having a vote for directors.

ARTICLE II

Covenants Not to Sue

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- 1. CIC covenants and agrees that with respect to any acts occurring after a date which is three (3) years from the effective date of this Agreement neither it nor its Affiliates nor any successor in title to CIC Granted Patents or interest therein will thereafter bring or authorize the bringing of any action for, or other charge of infringement against:
 - (a) NCR or any of its Affiliates with respect to their manufacture, sale or use of Capsular Opacifier Products or their manufacture of Capsular

Opacifiers used in said Capsular Opacifier Products, in the United States; or

- (b) Customers of NCR or its Affiliates with respect to their use and sale of Capsular Opacifier Products, manufactured by NCR or any of its Affiliates, in the United States.
- 2. NCR covenants and agrees that neither it nor its Affiliates nor any successor in title to NCR Granted Patents or interest therein will hereafter bring or authorize the bringing of any action for, or other charge of, infringement of any of the NCR Granted Patents against CIC or any of its Affiliates, customers, or customers of any of its Affiliates with respect to the manufacture, sale or use of Capsules or any product bearing or otherwise utilizing Capsules by CIC or its Affiliates worldwide or with respect to the use anywhere of any Encapsulation process, by CIC or its Affiliates.
- 3. Notwithstanding the provisions of Section 2 of this ARTICLE II, the exclusive rights of NCR licensees who heretofore have been granted licenses or options to obtain licenses under one or more of the NCR Granted Patents are not affected by NCR's herein granted covenant not to sue until such exclusive rights are terminated; and if:

- (a) One of said licensees should find it necessary to have NCR joined as a co-party plaintiff in an infringement action for the enforcement of said exclusive rights, or
- (b) NCR is obligated under the license containing said exclusive rights or by law or statute of the relevant jurisdiction, to itself file an infringement action at the initiation of and on behalf of one of said licensees to enforce said exclusive rights,

NCR's consenting to be so joined in such suit or NCR's filing such suit on behalf of said licensee, and NCR's fulfillment of the role of a licensor in support of its obligations with respect to said exclusive rights under the licenses, shall not constitute a breach of this Agreement and shall be permitted hereunder. CIC shall not plead its immunity from suit granted by NCR under Section 2 of this ARTICLE II of this Agreement as a defense against an infringement suit with respect to said exclusive rights by one of said licensees or by NCR on behalf of one of said licensees or by both, as provided under paragraphs (a) and (b) of this Section 3. For purposes of this Section 3, said exclusive rights shall be deemed to include the potential exclusive rights of

United States Banknote Corporation, who heretofore has been granted an option to obtain a license containing the potential exclusive rights defined therein, provided such option, the expiration date of which has been extended by NCR, is exercised by United States Banknote Corporation no later than March 31, 1973. NCR will advise CIC within a reasonable time after March 31, 1973 as to the status of such option to obtain a license. All licenses and such option to obtain a license containing said exclusive rights, which are the subject of this Section 3, are attached hereto and identified as Exhibits A₁ through E₃ respectively, as follows:

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NCR will advise CIC as to the termination of each of said exclusive rights within a reasonable time thereafter.

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As each of said exclusive rights terminates the provisions of this Section 3 shall no longer apply and the subject matter of said formerly exclusive rights shall immediately become subject to the provisions of Section 2 of this ARTICLE II.

ARTICLE III

Term and Termination

The period of this Agreement shall begin on the effective date hereof and shall terminate without notice on the expiration date of the last to expire of the Granted Patents.

ARTICLE IV

Assignments

Nothing herein shall prevent either party to this Agreement from assigning the ownership of one or more patents affected by this Agreement, but the assigning party warrants that the assignee of each such patent will be advised of the terms of this Agreement and such assignee shall take title subject to this Agreement and agree to be itself bound by the waivers granted with respect to each such assigned patent, and the parties hereto guarantee each to the other, the full performance by any assignee of this Agreement not to charge infringement.

The immunities from charge of infringement herein granted will inure to the successor and assign of substantially the entire Capsule, Capsule product and Encapsulation business of a party hereto, but shall not be assignable without the consent of both parties hereto, except as to a successor to substantially the entire Capsule, Capsule product and Encapsulation business of the party.

ARTICLE V

Non-Use of Agreement for Publicity

Neither party hereto shall use this Agreement or the fact of such Agreement for advertising or publicity purposes, or cause the use thereof for such advertising or publicity purposes, either directly or indirectly.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto, effective as of December 1, 1972.

THE NATIONAL CASH REGISTER COMPANY

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CHAMPION INTERNATIONAL CORPORATION

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NOTICE OF TERMINATION OF EXCLUSIVITY

In accordance with ARTICLE II, Section 3 of the CROSS-IMMUNITY AGREEMENT of December 1, 1972 between THE NATIONAL CASH REGISTER COMPANY and CHAMPION INTERNATIONAL CORPORATION, please be advised that United States Banknote Corporation did not exercise its option to obtain a license on or before March 31, 1973 and that the exclusive rights previously granted to Omni-Technic terminated April 3, 1973.

E. Frank McKinney

Assistant Patent Counsel

<u>C R O S S - I M M U N I T Y A G R E E M E N T</u>

THIS AGREEMENT, made and entered into effective December 1, 1972, by and between THE NATIONAL CASH REGISTER COMPANY, a Maryland corporation, having an office in Dayton, Obio, hereinafter called "NCR", and CHAMPION INTERNATIONAL CORPORATION, a New York corporation, having an office in New York City, New York, hereinafter called "CIC",

WITNESSETH that:

WHEREAS, NCR is the owner of patents and patent applications, both foreign and domestic, relating to the production and use of capsules, and NCR is engaged in the manufacture of capsules and in the manufacture, use and sale of "carbonless copy paper" (sometimes referred to as "NCR paper");

WHEREAS, CIC is the owner of various patents and patent applications relating to capsules and is engaged in the production of capsules and in the manufacture, use and sale of "carbonless copy paper" including capsules;

WHEREAS, CIC is the owner of various patents and pending applications in the United States relating to Capsular Opacifiers (hereinafter defined);

whereas, NCR and CIC, in the light of the relative value of their respective relevant patent holdings have jointly concluded that their respective needs and interests will be served and future controversies will be avoided by an exchange of immunities all under the conditions stated in the remaining Articles of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual and reciprocal promises, covenants and agreements hereinafter set forth, the parties have agreed and do hereby agree as follows:

ARTICLE I-

Definitions

- 1. The term "Encapsulation" means a process of making capsules by formation of a continuous wall of natural and/or synthetic polymeric material around individual nuclei of whatever state, composition, structure or number of nuclear entities.
- 2. The term "Capsule" means any entity comprising one or more nuclear entities surrounded by a polymeric wall and made by the process defined in Section 1 of this ARTICLE I.

- 3. The term "Capsular Opacifiers" means Capsules having air as the nuclear entity which is surrounded by a polymeric wall, which Capsules are incorporated in or on paper for opacifying the paper.
- 4. The term "Capsular Opacifier Products" means paper carrying Capsular Opacifiers wherein said Capsular Opacifiers are substituted on said paper for inorganic opacifying pigments, such as titanium dioxide, calcium carbonate and clay, as conventionally used in papermaking for opacifying paper.
- 5. The term "NCR Granted Patents" means all patents of NCR or its Affiliates, worldwide, which claim inventions that relate in any manner to Capsules, products bearing or otherwise utilizing Capsules or Encapsulation processes, issued or issuing on patent applications filed prior to the effective date of this Agreement, or filed subsequent thereto but receiving, or entitled to receive, the benefit of a domestic or foreign filing date prior to said effective date of this Agreement.
- 6. The term "CIC Granted Patents" means all United States patents of CIC or its Affiliates which claim inventions that relate in any manner to Capsular Opacifiers or Capsular Opacifier Products or processes for making either, issued or issuing on patent applications filed prior to the

effective date of this Agreement, or filed subsequent thereto but receiving, or entitled to receive, the benefit of a domestic or foreign filing date prior to said effective date of this Agreement.

7. The term "Affiliate" of CIC or NCR shall include any corporation, firm, partnership or other form of business organization as to which control of the business can be exercised by CIC or NCR, respectively, and any parent or subsidiary of CIC or NCR as to which parent or subsidiary the one owns more than fifty percent of the other's stock having a vote for directors.

ARTICLE II

Covenants Not to Sue

- any acts occurring after a date which is three (3) years from the effective date of this Agreement neither it nor its Affiliates nor any successor in title to CIC Granted Patents or interest therein will thereafter bring or authorize the bringing of any action for, or other charge of infringement against:
 - (a) NCR or any of its Affiliates with respect to their manufacture, sale or use of Capsular Opacifier Products or their manufacture of Capsular

Opacifiers used in said Capsular Opacifier Products, in the United States; or

- (b) Customers of NCR or its Affiliates with respect to their use and sale of Capsular Opacifier Products, manufactured by NCR or any of its Affiliates, in the United States.
- 2. NCR covenants and agrees that neither it nor its Affiliates nor any successor in title to NCR Granted Patents or interest therein will hereafter bring or authorize the bringing of any action for, or other charge of, infringement of any of the NCR Granted Patents against CIC or any of its Affiliates, customers, or customers of any of its Affiliates with respect to the manufacture, sale or use of Capsules or any product bearing or otherwise utilizing Capsules by CIC or its Affiliates worldwide or with respect to the use anywhere of any Encapsulation process, by CIC or its Affiliates.
- 3. Notwithstanding the provisions of Section 2 of this ARTICLE II, the exclusive rights of NCR licensees who heretofore have been granted licenses or options to obtain licenses under one or more of the NCR Granted Patents are not affected by NCR's herein granted covenant not to sue until such exclusive rights are terminated; and if:

- (a) One of said licensees should find it necessary to have NCR joined as a co-party plaintiff in an infringement action for the enforcement of said exclusive rights, or
- (b) NCR is obligated under the license containing said exclusive rights or by law or statute of the relevant jurisdiction, to itself file an infringement action at the initiation of and on behalf of one of said licensees to enforce said exclusive rights,

NCR's consenting to be so joined in such suit or NCR's filing such suit on behalf of said licensee, and NCR's fulfillment of the role of a licensor in support of its obligations with respect to said exclusive rights under the licenses, shall not constitute a breach of this Agreement and shall be permitted hereunder. CIC shall not plead its immunity from suit granted by NCR under Section 2 of this ARTICLE II of this Agreement as a defense against an infringement suit with respect to said exclusive rights by one of said licensees or by NCR on behalf of one of said licensees or by both, as provided under paragraphs (a) and (b) of this Section 3. For purposes of this Section 3, said exclusive rights shall be deemed to include the potential exclusive rights of

United States Banknote Corporation, who heretofore has been granted an option to obtain a license containing the potential exclusive rights defined therein, provided such option, the expiration date of which has been extended by NCR, is exercised by United States Banknote Corporation no later than March 31, 1973. NCR will advise CIC within a reasonable time after March 31, 1973 as to the status of such option to obtain a license. All licenses and such option to obtain a license containing said exclusive rights, which are the subject of this Section 3, are attached hereto and identified as Exhibits A₁ through E₃ respectively, as follows:

LICENSES

A₁ - A₄ Eurand S.P.A. (formerly Instituto di Chemiotherapia s.r.l.)

 $B_1 - B_5$ Honeywell Inc.

C Wiggins-Teape Ltd.

D₁ - D₃ Omni-Technic

OPTION

E₁ - E₃ United States Banknote Corporation

NCR will advise CIC as to the termination of each of said exclusive rights within a reasonable time thereafter.

As each of said exclusive rights terminates the provisions of this Section 3 shall no longer apply and the subject matter of said formerly exclusive rights shall immediately become subject to the provisions of Section 2 of this ARTICLE II.

ARTICLE III

Term and Termination

The period of this Agreement shall begin on the effective date hereof and shall terminate without notice on the expiration date of the last to expire of the Granted Patents.

ARTICLE IV

Assignments

Nothing herein shall prevent either party to this Agreement from assigning the ownership of one or more patents affected by this Agreement, but the assigning party warrants that the assignee of each such patent will be advised of the terms of this Agreement and such assignee shall take title subject to this Agreement and agree to be itself bound by the waivers granted with respect to each such assigned patent, and the parties hereto guarantee each to the other, the full performance by any assignee of this Agreement not to charge infringement.

The immunities from charge of infringement herein granted will inure to the successor and assign of substantially the entire Capsule, Capsule product and Encapsulation business of a party hereto, but shall not be assignable without the consent of both parties hereto, except as to a successor to substantially the entire Capsule, Capsule product and Encapsulation business of the party.

ARTICLE V

Non-Use of Agreement for Publicity

Neither party hereto shall use this Agreement or the fact of such Agreement for advertising or publicity purposes, or cause the use thereof for such advertising or publicity purposes, either directly or indirectly.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto, effective as of December 1, 1972.

THE NATIONAL CASH REGISTER COMPANY

By Tames P Danle

CHAMPION INTERNATIONAL CORPORATION

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LICENSE AGREEMENT

THIS LICENSE AGREEMENT, entered into as of the Ch day of April, 1969, by and between THE NATIONAL CASH REGISTER COMPANY, a corporation organized under the laws of the State of Maryland, United States of America, hereinafter referred to as "NCR", and INSTITUTO DI CHELITOTHERAPIA s.r.l., a corporation organized under the laws of Italy, hereinafter referred to as "ICHEM",

WITNESSETH:

WHEREAS, NCR is the owner of certain inventions in Capsules and Encapsulation and of certain patents and patent applications relating thereto, and possesses a valuable body of technical information relating thereto; and

WHEREAS, ICHEM is desirous of securing a non-exclusive, non-transferable license to use Capsules and Encapsulation and NCR's technical information in the preparation of Licensed Products, and NCR has the right to and is willing to grant such license upon the terms and conditions hereinafter set forth; and

WHEREAS, because it is impractical to determine which of the Licensed Patents ICHEM will use to obtain the maximum benefits from Capsules and Encapsulation, and because it is impossible to assign a specific value to one or more of the Licensed Patents, royalty rates have been negotiated for the use of any or all of the Licensed Patents.

NOW, THEREFORE, in consideration of the payment by ICHEM to NCR of Twenty-five Thousand Dollars (\$25,000), receipt of which is hereby acknowledged, and in further consideration of the mutual covenants and obligations herein contained, it is hereby agreed by and between NCR and ICHEM as follows:

ARTICLE I

Definitions

As used in this License Agreement:

A. The word "Encapsulation" means any or all of the following:

- 1. The making of Capsules on masse by formation of a continuous wall of polymeric material around individual nuclei of whatever state, composition, structure or number of nuclear entities, dispersed in a liquid manufacturing medium.
 - 2. Any recovery of the Capsule from the medium.
 - 3. Any treatment of the Capsule to affect its properties.
- 4. Any material for such liquid medium or nucleus or capsule wall or any modification or adaptation of such material insofar as it functions in the making of the Capsule or affects its properties.
- B. The word "Capsule" means any entity comprising one or more nuclear entities surrounded by a containing wall and made by the procedure defined in Section 1 of the foregoing definition of Encapsulation.
- C. The words "Application of Capsules or Encapsulation" mean any composition or act of manufacture which includes capsules made by processes covered by or employing any of the Licensed Patents.
- D. The word "Subsidiary" means any corporation in which ICHEM owns fifty-one per cent (51%) or more of the issued and outstanding voting stock or any corporation in which ICHEM can otherwise exercise effective management or control.
- E. The words "Net Receipts" mean the gross selling price billed by ICHEM for Licensed Products, less the usual discounts and allowances, and in the case of foreign sales consular fees, customs duties and other items peculiar to such sales. A sale will be deemed made on the billing date.
- F. The words "Licensed Patents" mean the patents listed on Schedule A attached hereto and made a part hereof, or any reissue, division or extension thereof, and the patents that may be granted on the applications listed on said Schedule A; and patents on Capsules or Encapsulation that may hereafter be issued to or acquired by NCR under applications filed during ten (10) years from the date of this Agreement, all to the extent that NCR is free to grant licenses under such patents. The inclusion in Schedule A of patents and patent applications on a world-wide basis shall not be deemed to modify in any way the provisions contained in this Agreement relating to product and/or territorial limitations.

10.0.1.13

- G. The words "Licensed Products" mean any or all of the following:
 - Group I. End product pharmaceutical compositions for human medicinal use, excluding such compositions offered for sale in the United States of America and Canada as preprietary items (Over-The-Counter),
 - Group II. End product compositions used for the treatment and prevention of diseases in animals, poultry and fishes (veterinary uses),
 - Group III. Pharmaceutical raw materials for human medicinal use and for veterinary use sold by ICHEM in bulk form as distinguished from end products,
 - Group IV. End product compositions for cosmetic use, that is, products for human use intended for cleaning, beautifying, promoting attractiveness or altering the appearance, excluding dentifices and such compositions that are used for hair cosmetics,
 - Group V. Compositions for cosmetic use, that is, products, for human use intended for cleaning, beautifying, promoting attractiveness or altering the appearance, excluding dentifrices and such compositions that are used for hair cosmetics, in bulk form as distinguished from end products,
 - Group VI. End product food chemicals to be added to food products to impart specific properties to the food product or facilitate the processing of the food product.
 - Group VII. Food chemicals added to food products to impart specific properties to the food product or to facilitate the processing of the food product,
 - Group VIII. End product collee and tea, that is, collee, coffee surrogates, tea or tea surrogates irrespective

of their state, and including the products in their original condition, in form of entracts, mixtures with other components and in solid or liquid condition,

containing or consisting of Capsules which employ or are made by the use of any of the inventions of the Licensed Patents.

Specifically excluded from all Licensed Products are flavors and/or fragrances contained in Capsules, and also specifically excluded are Liquid Crystals contained in Capsules.

ARTICLE II

Development Period

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- A. For a development period of three (3) years from the effective date of this Agreement, NCR will co-operate with ICHEM in the work of adapting Capsules and Encapsulation to ICHEM's Licensed Products and adapting ICHEM's Licensed Products to Capsules and Encapsulation. During this period, NCR will supply to ICHEM the technical information and technical services described in Article III hereof and ICHEM will use its best efforts to develop commercial products embodying Capsules and Encapsulation.
- B. At any time before the expiration of said development period, ICHEM may by written notice to NCR accompanied by the payment to NCR of Twenty-five Thousand Dollars (\$25,000) elect to declare effective the license hereinafter described and to proceed with the exploitation thereof. If no such election is made before the expiration of said development period, this Agreement shall terminate in its entirety as of the end of said period except with respect to the obligations contained in Article III hereof relating to the disclosure of confidential information.

ARTICLE III

Technical Information and Service

A. As soon as may be reasonably convenient after the execution of this Agreement, NCR will deliver to ICHEM information describing in detail the optimum methods known to it for practicing the inventions

disclosed in the Licensed Patents; and for ten (10) years from the date of this Agreement will thereafter keep such information up to date for ten (10) years from date of this Agreement.

- E. For the term of this Agreement, NCR will make available to ICHEM through their respective authorized representatives technical assistance in Capsules and Encapsulation. To this end NCR will send representatives to ICH Al's laboratories at reasonable intervals, will permit ICHEM's representatives to visit NCR's encapsulation laboratories and production facilities at reasonable intervals, will supply ICHEM with a written description of the inventions covered in all patent applications which are included in the Licensed Patents, and will in general co-operate with and advise ICHEM in the production of Capsulan and their use by ICHEM in the Licensed Products.
- C. For the term of this Agreement ICHEM will disclose to NCR in writing or otherwise at quarterly intervals the results of ICHEM's developments in Capsules and Encapsulation and will in writing advise NCR of any inventions which it may make or acquire in this area.
- D. All information disclosed by NCR or ICHEM to the other pursuant to the foregoing provisions is of a confidential nature and NCR and ICHEM will take all reasonable precautions to prevent the disclosure to third persons of any of such information, subject to the following exceptions:
- 1. NCR will be free to disclose such information acquired from ICHEM to any licensee of any of its inventions in Capsules or Encapsulation or to any purchaser of its technical information on Capsules or Encapsulation, but only if and so long as any such licensee or purchaser is bound to NCR by an obligation of non-disclosure corresponding to that contained in this Article.
- 2. NCR will be free to disclose any such information acquired from ICHEM to any research institute or similar organization engaged or permitted by NCR to do research or development work on Capsules or Encapsulation, providing that such disclosure is made in confidence under a written agreement providing for the same.
- 3. ICHEM will be free to disclose any such information acquired from NCR to any research institute or similar organization

with which NCR has an agreement permitting it to receive such information.

E. Subject to the rights of disclosure hereinabove contained, the obligations of confidence contained in this Article III will survive any termination of this Agreement with respect to all confidential information disclosed hereunder prior to termination.

ARTICLE IV Inventions by ICHEM

- A. ICHEM will grant and does hereby grant to NCR a royalty-free, non-exclusive, world-wide license with right to sublicense in respect of any invention in Capsules or Encapsulation or the Application of Capsules made or acquired by ICHEM from the date of this Agreement to a date ten (10) years hence or to the termination of this Agreement, whichever occurs first. For this purpose, an invention will be deemed made when conceived or actually reduced to practice.
- B. ICHEM shall notify NCR as soon as practicable after the making or acquisition of any and all such inventions, as described in Section A of this Article, and the countries in which they have filed or will file a patent application. NCR may request ICHEM in writing to file patent applications with respect to any such invention under the laws of any country or countries in which ICHEM does not desire to file such applications, and ICHEM shall forthwith grant all right, title and interest to such invention in said country or countries to NCR, and ICHEM shall forthwith transmit all the necessary information, documents and copies of patent applications which ICHEM has filed, to enable NCR to file patent applications in said country or countries.
- C. NCR agrees not to exercise its sublicensing rights in the field of the Licensed Products for three (3) years from the date of the filing of the patent application in the country first filed.
- D. In the event an invention is made by an employee of ICHEM jointly with an employee of NCR, the invention will be deemed an invention of NCR and therefore any patent issued in respect thereof will become part of Schedule A.

E. Nothing in the foregoing shall give NCR any right with respect to any invention and/or development of ICHEM in pharmaceutical, veterinary, cosmetic, food compounds or compositions per se.

ARTICLE V Assignment

- A. This Agreement will inure to the benefit of ICHEM and of its successors and assigns to the whole of its business pertaining to the Licensed Products, but only if and when such successors and assigns notify NCR in writing that they will assume all obligations herein imposed upon ICHEM.
- B. This Agreement will inure to the benefit of NCR and its successors and assigns in title to the Licensed Patents and to the payments herein provided for, but only if and when such successors and assigns notify ICHEM that they will assume all obligations herein imposed upon NCR.
- C. Other than as provided in Sections A and B of this Article, this Agreement will not be assigned, transferred, conveyed or encumbered by either NCR or ICHEM without the written consent of the other.

ARTICLE VI Termination

- A. In the event of any adjudication of bankruptcy, appointment of a receiver by a court of competent jurisdiction, assignment for the benefit of creditors or levy of execution directly involving ICHEM, this Agreement (and the License if granted) will thereupon terminate.
- B. NCR and ICHEM will each have the right to terminate this Agreement (and the License if granted) at any time in the event of breach by the other of any of the provisions of this Agreement, provided that steps to remedy such breach have not been taken within sixty (60) days after written notice of such breach has been received by ICHEM or NCR as the case may be.
- C. Unless sooner terminated under the foregoing provisions of this Article, this Agreement and License will terminate twenty (20) years after the day and year first written above, at which time the License will become fully paid-up and royalty-free.

D. No termination of this Agreement will relieve ICHEM of the duty and obligation to pay in full royalties accrued to the effective date of the termination.

ARTICLE VII

Notices.

- A. Notices required or permitted to be sent to NCR under this Agreement will be sent to the Office of the Secretary, The National Cash Register Company, Dayton, Chio, 45409, U.S.A.
- B. Notices required or permitted to be sent to ICHEM under this Agreement will be sent to General Manager, Institute di Chemichhernpia s.r.l., Via Boschetti 6, Milano, Italy.

IF AND WHEN ICHEM MAKES THE ELECTION DESCRIBED IN ARTICLE II-E HEREOF, THE REMAINDER OF THIS AGREEMENT WILL BECOME EFFECTIVE.

ARTICLE VIII

Grant of License

- A. NCR will grant and does hereby grant to ICHEM a non-exclusive and non-transferable right and license to make, use and sell anywhere Licensed Products which use any invention of NCR in Capsules or Encapsulation which is covered by the Licensed Patents. NCR will not use any patent owned by it to interfere with the sale or use by ICHEM of Licensed Products anywhere.
- B. NCR warrants that it is the sole owner of all right, title and interest in and to the patents listed on Schedule A and has full right to grant said license, except existing licenses thereunder.
- C. This grant of license by MCR to ICHEM is not intended to place any restriction in any manner on ICHEM's sales or products which do not employ Capsules.
- D. ICHEM accepts said grant and admits the validity of the Licensed Patents for the full term of the grant; and will not at any time hereafter directly or indirectly infringe the Licensed Patents, nor dispute the validity thereof, nor the title thereto of NCR, nor directly or indirectly assist any other person in disputing such validity and title.

E. ICHEM will grant no sublicenses under this license cucept to its subsidiaries, and then only upon the same terms as contained
in this Agreement, and upon the condition that ICHEM will remain responsible to NCR for the performance by any such subsidiary of its
obligations under its sublicense.

ARTICLE IX

Royalties and Reports

A. ICHEM will pay to NCR as royalty, based upon the Net Receipts of all sales made by ICHEM during the term of the Agreement, rates dependent upon the Licensed Product manufactured as follows:

Licens	Rate	
	Group I	3%
	Group II	3%
• • •	Group III	7-1/2%
	Group IV	4%
	Group V	۶%
	Group VI	3%
•	Group VII	7-1/2%

In Groups III, V and VII, when ICHEM manufactures or buys the basic materials, the royalty will be in accordance with the above stated rates. In the event the material to be encapsulated is supplied gratis by the bulk purchaser, royalty at ten per cent (10%) will be paid on the sales or transfer price to the customer (faccanage).

Royalty rates for Group VIII will be negetiated between NCR and ICHEM within eighteen (10) months after the effective date of this Agreement.

B. Royalties will be due and payable quarterly, and ICHEM will pay to NCR (Cashier, NCR, Main and K Streets, Dayton, Ohio, 45409, U.S.A.) on or before the last day of the months of Pebruary, May, August and November of each year during which this Agreement is in effect the total amount of royalties due and payable on account of its operations under this Agreement during the calendar quarter immediately preceding said dates.

- C. ICHEM will render to NCR with each such payment of royalties a written statement showing the total Net Receipts from its royalty-bearing sales during the period covered by such statement.

 ICHEM will keep a separate record in a suitable set of books provided for the purpose in sufficient detail to enable the royalties payable hereunder to be determined and will permit such set of books to be examined by a certified public accountant designated and paid by NCR at any reasonable time during business hours to the extent necessary to verify the records and payments provided for hereunder. Such accountant will make his report to NCR in such manner that information deemed confidential by ICHEM will not be disclosed to NCR.
- D. Royalties shall be remitted to NCR in U. S. currency or any other currency which is readily convertible into U. S. currency, · unless governmental restrictions prevent ICHEM or its sublicensees from remitting royalty payments from the country in which the relevant sales were made. If such restrictions exist in a particular country, ICHEM's obligation to remit royalties on sales in such country shall be suspended until royalty remittances are permitted and possible under the laws of that country, provided that NCR shall have the right at any time to request and receive royalty payments in such country in its currency, if permitted by law. Where it is necessary to convert the amount of royalties from one currency into another, such conversion shall be made at the exchange rate for royalty remittances established by official regulations of the country in which the relevant sales were made, in force on the date of the royalty remittance. If there are no such regulations, then such conversions will be made at the rate for royalty remittances on such date, as certified by the First National City Bank of New York. Any tax paid or required to be withheld by ICHEM or its sublicensees on account of royalties payable to NCR hereunder shall be deducted from the amount of royalties otherwise due to NCR.
- E. In the event that ICHEM grants sublicenses hereunder to one or more of its subsidiaries, as provided for in Article VIII-D hereof, or in the event of consignments or other transfer of Licensed Products to or among ICHEM's subsidiaries, the Net Receipts of such subsidiaries.

from the cale of Licensed Products will be considered as Net Receipts of ICHEM for the purpose of determining royalties, and ICHEM will pay the royalties due thereon.

ARTICLE X

More Faverable Licenses

- A. In the event that NCR grants a license to another under the Licensed Patents for the manufacture and sale of Licensed Products on royalty terms more favorable than those contained herein, NCR will notify ICHEM of the royalty terms of such other license and, upon written request by ICHEM, will immediately extend to ICHEM such more favorable terms for their duration and extent, if ICHEM is not then in default hersunder and if it accepts and becomes bound by all of the terms, conditions and limitations of such other license and gives considerations of equal benefit to NCR as those received by NCR from such other licensee.
- B. The provisions of this Article will not be brought into operation by the grant by NCR of a license to the United States Government, the government of any other country or any subsidiary of NCR.

ARTICLE M

Infringement and Invalidity

- A. If during the life of this license ICHEM establishes to the reasonable satisfaction of NCR that a third party is infringing any of the Licensed Patents by the manufacture or sale of a Licensed Product to the substantial detriment of ICHEM, and that ICHEM is then manufacturing or selling Licensed Products under one of the infringed claims, NCR will take action within six (6) months at its own expense to eliminate or abate such infringement, either by persuading the infringer to discontinue such infringement or by licensing such infringer, or by bringing an action against such infringer and prosecuting the same diligently.
- B. If in any court proceeding involving the validity of the Licensed Patents all of the claims under which ICHEM is then operating are held to be invalid, payment of royalties under Article IX hereof will



be suspended as of the date of such holding. If in any court proceeding involving any of the claims of the Licensed Patenta there is a holding that none of the claims is infringed by a particular product or process, payment of royalties under Article IX will be suspended with respect to such product or process if ICHEM is then producing such a product or using such a process.

- C. If any court holding of invalidity or non-infringement is not appealed or is sustained by a reviewing court of last actual resort, the royalties so suspended will not thereafter be payable by ICHEM, but if any such court holding is reversed by a reviewing court of last actual resort, the royalties so suspended will be promptly paid by ICHEM.
- D. In the event suit is brought against ICHEM alleging the infringement of any now issued patent owned or controlled by another party which allogation is based on and arises out of the practice, in and of itself, of the claimed inventions of any of the now issued Licensed Patents, NCR will co-operate with ICHEM in defending such suit. During the pendency of such suit ICHEM will have the right to withhold payment of one-half (1/2) of the royalties due under Article IX hereof, and may use the royalties so withheld for reasonable legal and other expenses incurred by it in the defense of such suit; and in the event final judgment is rendered against ICIIEM, the balance of the royalties withheld may be applied by ICHEM to the satisfaction of such final judgment, and any unspent balance of withheld royalties will be paid by ICHEM to NCR. If the withheld royalties are not sufficient to satisfy said judgment, the balance thereof will be paid by ICHEM, which may retain one-half (1/2) of all royalties due thereafter until fully reimburged for its payment of said judgment.
- E. The foregoing provisions relating to suspension, nonpayment and withholding of royalties will be applicable only in the country
 or countries in which the Licensed Patents and claims thereunder are the
 subject of such court proceedings and only with respect to Licensed
 Products manufactured and/or sold therein by ICHEM; and such provisions will have no application in any country in which NCR has effective

patent protection.

IN WITNESS WHEREOF, NCR and ICHEM have caused this License Agreement to be executed in duplicate by their duly authorized representatives as of the day and year first above written.

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THE NATIONAL CASH REGISTER COMPANY

DAYTON, OHIO 45409

VICE PRESIDENT
AND GENERAL MANAGER
SPECIAL PRODUCTS DIVISION

March 4, 1971

Office of the President United States Banknote Corporation 345 Hudson Street New York, New York 10014

Gentlemen:

We note that the License Agreement entered into March 18, 1968 by and between The National Cash Register Company and United States Banknote Corporation contains provision for a development period of three (3) years.

It is hereby proposed that the License Agreement be modified to extend the development period for an additional nine (9) months by deleting from Article II A, of the License Agreement, the words,

"For a development period of three (3) years the date of this Agreement,"

and substituting therefor, the words,

--For a development period ending December 18, 1971, --.

Additionally, it is proposed that Article VI C be modified to delay termination of the License Agreement for an additional nine (9) months by deleting the words

"twenty (20) years after the day and year first written above"

and substituting therefor, the words,

--December 18, 1988--.

Office of the President United States Banknote Corporation Page Two March 4, 1971

3-25-11

Date

It is understood that the modifications in no way alter the meaning or effect of the unmodified remainder of the License Agreement.

If you agree with these terms and the modifications, please evidence your agreement by signing and returning to us, the enclosed copy of this letter which will, thereupon, become a part of the License Agreement.

	THE NATIONAL CASH REGISTER COMPAN	Y
•	By (1) 1/1/2000	
	Title	
	Date	
UNITED STATES BA	KNOTE CORPORATION	
By / 11/1	not . I mante	
Title		•

THE NATIONAL CASH REGISTER COMPANY DAYTON, OHIO 45409

October 19, 1971

Mr. Howard Roberts Legal Department United States Banknote Corporation Pan Am Building - Suite 3724 200 Park Avenue Now York, New York

Dear Mr. Roberts:

This letter follows a telephone conversation between you and Mr. Anthony Maresca of our Capsular Products Division and is in response to the letter of March 25, 1971 from Mr. Hobson F. Miller with which were included two completely executed copies of an amendment to extend the time of a development period in a License Agreement between NCR and United States Banknote.

We note that Mr. Smith altered and initialed a date In that amendment which served to identify the effective date of the License Agreement. Our records indicate that the date originally typed in the amendment (March 18, 1968) is correct and that the altered date (March 27, 1908) is incorrect. As evidence of the effective date of the License Agreement, we enclose a kerographic copy of a letter from Mr. Smith to Mr. Stansfield dated March 18, 1960 and identifying the License Agreement as also bearing that date.

While we believe that the error presents no infirmity in the effectiveness of either the License Agreement or the amendment, it is thought best to clear up any possibility of misunderstanding.

If, on review of your records, you agree that March 18, 1908 is the effective date of the License Agreement, please so indicate by the signature of an Officer of your Company in the space provided below and return one copy for our files. We also enclose herewith one of the executed copies of the amendment without additional

Mr. Howard Roberts Page Two October 18, 1971

alteration of the previously questioned date; -- it being mutually understood that the initially-typed date is correct.

Very truly yours,

E. Frank McKinney, Managor

E. Frank McKinney, Managor Chemical Patents Department

UNITED STATES BANKNOTE COPORATION

Бу	Minare.				
Title	a September				
Date –	October.	£77	1971		

LICENSE AGREEMENT

THIS LICENSE AGREEMENT, entered into as of the 18th day of March, 1968, by and between THE NATIONAL CASH REGISTER COMPANY, a corporation organized under the laws of the State of Maryland, United States of America, hereinafter referred to as "NCR", and the UNITED STATES BANKNOTE CORPORATION, a corporation organized under the laws of the State of Virginia, hereinafter referred to as "USBC",

WITNESSETH:

WHEREAS, NCR is the owner of certain inventions in Capsules and Encapsulation and of certain patents and patent applications relating thereto, and possesses a valuable body of technical information relating thereto; and

WHEREAS, USBC is desirous of securing a non-exclusive, non-transferable license to use Capsules and Encapsulation and NCR's technical information in the preparation of Licensed Products, and NCR has the right to, and is willing to grant such license upon the terms and conditions hereinafter set forth; and

WHEREAS, because it is impractical to determine which of the Licensed Patents USBC will use to obtain the maximum benefits from Capsules and Encapsulation, and because it is impossible to assign a specific value to one or more of the Licensed Patents, a single royalty rate has been negotiated for the use by USBC of any or all of the Licensed Patents.

NOW, THEREFORE, in consideration of the payment by USBC to NCR of Twenty-five Thousand Dollars (\$25,000.00), receipt of which is hereby acknowledged, and in further consideration of the mutual covenants and obligations herein contained, it is hereby agreed by and between NCR and USBC as follows:

ARTICLE I

Definitions

As used in this Agreement:

A. The word "Encapsulation" means any or all of the following:

U.S. BANKNOTE DID NOT EXELICISE OPTION FOR LICEASE PER NEW 10.4.73 EXHIBIT E1

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- 1. The making of Capsules en masse by a process which results in the formation of continuous walls of solid polymeric films around nuclei of any state, composition or structure; which process includes, at the time of the format on of a deposition around the nuclei, the dispersion of the nuclei in a liquid manufacturing medium in which the polymeric capsule wall material, then in a liquid state, is immiscible and which includes the subsequent conversion of the liquid polymeric walls to solid polymeric films.
- 2. The making of Capsules en masse by a process which results in the formation of continuous walls of solid polymeric films around any nuclei of any composition; which process includes dispersal of the nuclei in a liquid manufacturing media with the polymeric wall formed in situ by any chain propagating polymerization reaction which occurs at or near the nuclei interface with subsequent polymeric wall material formation as the result of continuing reaction at the interface originating through the presence of chemically functional reactants, with or without catalysts added to or resident in either or both the nuclei or liquid manufacturing media.
 - 3. Any recovery of the Capsule from the medium.
 - 4. Any treatment of the Capsule to affect its properties.
- 5. Any material for such liquid medium or nucleus or Capsule wall or any modification or adaptation of such material insofar as it functions in the making of the Capsule or affects its properties.
- B. The word "Capsule" means any entity comprising one or more nuclear entities surrounded by a containing wall, and made by the procedure defined in Sections 1 or 2 of the foregoing definition of Encapsulation.
- C. The word "Subsidiary" means any corporation in which USBC directly or indirectly owns fifty-one per cent (51%) or more of the issued and outstanding voting stock.
- D. The words "Net Receipts" mean the gross selling price billed by USBC for Licensed Products, less
 - transportation charges or allowances paid
 by the seller;

- trade, quantity or cash discounts, andbroker's or agent's commissions, if any,actually allowed or paid to unrelated thirdpa.tics;
- 3. credition Mowances, if any, actually granted on account of price adjustments, rejection or return of Licensed Products previously sold; and
 - any tax or other direct governmental charge on the production, sale, use or delivery of such Licensed Products actually paid by the seller and included in the gross invoice price.
- E. The words "Licensed Patents" mean the patents listed on Schedule A attached hereto and made a part hereof, or any reissue, division or extension thereof, and the patents that may be granted on the applications listed on said Schedule A; and patents on Capsules or Encapsulation that may hereafter be issued to or acquired by NCR under applications filed for a period of ten (10) years from the date of this Agreement, and any such patents under which NCR now has or shall acquire the right to grant sublicenses.
- F. The words "Licensed Products" mean any or all of the following:
 - human medicinal use contained in or consisting of Capsules which employ or are made by the use of any of the inventions of the Licensed Patents or Know-How, excluding such compositions that may be offered for retail sale in the United States and Canada under applicable law without requiring a prescription.
 - 2. End product compositions used for the treatment and prevention of diseases in animals, poultry and

fishes contained in or consisting of Capsules which employ or are made by the use of any of the inventions of the Licensed Patents or Know-How.

- is products for human use intended for cleaning, beautifying, promoting attractiveness, or altering the appearance, contained in or consisting of Capsules which employ or are made by the use of any of the inventions of the Licensed Patents or Know-How, excluding such compositions that are used for hair cosmetics.
- time) paper or paper substitute substrate in whose configuration are contained capsules holding a chemical or chemical formulation which together with the substrate, provides a functional end use of cleaning, polishing, or lubricating, said capsules employing or being made by the use of any of the inventions of the Licensed Patents or Know-How.
- end product pharmaceutical compositions coated upon a substrate for human medicinal use that may be offered for sale in the United States and Canada without requiring a prescription contained in or consisting of Capsules which employ or are made by the use of any of the inventions of the Licensed Patents or Know-How, excluding the incorporation into said Capsules liquid crystal compositions to which USBC has no license.
- 6. End product fluid filtering compositions which active filtering component is collagen contained in or employing Capsules which are made by the use

of any of the inventions of the Licensed Patents or Know-How.

- 7. End product compositions coated upon a substrate for providing a conductive interface between the electrode and the human skin for EKG (Electrocardigraphic Examination) testing which employ Capsules which are made by the use of any of the inventions of the Licensed Patents or Know-How.
- 8. End product compositions coated upon a substrate for producing visible light through electro-chemical or chemical reactions which employ Capsules made by the use of any of the inventions of the Licensed Patents or Know-How.

Specifically excluded from all Licensed Products are Flavors and/or Fragrances contained in Capsules.

ARTICLE II

Development Period

- A. For a development period of three (3) years from the date of this Agreement, NCR will cooperate with USBC in the work of utilizing Capsules and in their application and Encapsulation in USBC's Licensed Products. During this period NCR will supply USBC the technical information and services described in Article III hereof and USBC will use its best efforts to develop commercial products embodying Capsules and Encapsulation and their applications.
- B. At any time before the expiration of said development period, USEC may by written notice to NCR accompanied by the payment to NCR of Twenty-five Thousand Dollars (\$25,000.00) elect to declare effective the license hereinafter described and to proceed with the exploitation thereof. If no such election occurs before the expiration of said development period, this Agreement shall terminate in its entirety as of the end of said period except with respect to the obligations contained in Article III hereof relating to the disclosure of confidential information.

. . ARTICLE III

Technical Information and Service

- A. As soon as may be reasonably convenient after the execution of this Agreement, NCR will deliver to USBC information describing in detail the optimum methods known to it for practicing the inventions disclosed in the Licensed Patents and will thereafter keep such information up to date for ten (10) years from the date of this Agreement.
- B. For a period of ten (10) years from the date of this Agreement, NCR will make available to USBC through their respective authorized representatives technical assistance in Capsules and their application and Encapsulation. To this end NCR will send representatives to USBC and its production facilities at reasonable intervals for complete discussions of applicable technology and inventions, will supply USBC with a written description of the inventions covered in all patent applications which are included in the Licensed Patents, will promptly advise USBC of the issuance of new patents, and will in general cooperate with and advise USBC in the production of Capsules and their use by USBC in the Licensed Products.
- C. All information disclosed by NCR to USBC pursuant to the foregoing provisions, except information already or hereafter in the public domain, is received by USBC in confidence, and USBC will take all reasonable precautions to prevent the disclosure to third persons of any such information. USBC will be free, however, to disclose any such information acquired from NCR to any research institute or similar organization with which NCR has an agreement permitting it to receive such information.
- D. From time to time, NCR and USBC may agree in writing that specific, properly identified information disclosed by USBC to NCR is received by NCR in confidence.
- E. Subject to the rights of disclosure hereinabove contained, the obligations of confidence contained in this Article will survive any termination of this Agreement with respect to all confidential information disclosed hereunder prior to termination, but not to exceed twenty (20) years from the date of this Agreement.

ARTICLE IV

Inventions by Licensee

- A. USBC will grant and does hereby grant to NCR a royalty-free, non-exclusive, w rld-wide license with right to sublicense to any invention in Capsules or Encapsulation or the Application of Capsules made or acquired by USBC from the date of this Agreement to a date ten (10) years hence or to the termination of this Agreement, whichever occurs first. For this purpose, an invention will be deemed made when conceived or actually reduced to practice.
- B. USBC shall notify NCR as soon as practicable after the making or acquisition of any and all such inventions, as described in Section A of this Article, and the countries in which they have filed or will file a patent application. NCR may request USBC in writing to file patent applications as hereinbefore described, with respect to any such invention under the laws of any country in which USBC does not desire to file such applications, then USBC shall forthwith grant all right, title and interest to such invention in said country to NCR, and USBC shall forthwith transmit all the necessary information, documents, copies of and patent applications which USBC has filed, to enable NCR to file patent applications in said country.
- C. NCR agrees not to exercise its sublicensing rights in the field of the Licensed Products for patents relating to the method of applying Capsules to substrates. USBC agrees that it will negotiate licensees at a reasonable royalty rate with NCR licensees in the areas of Licensed Products for said patents upon receipt of a bona fide request from the NCR licensee.

NCR agrees not to exercise its sublicensing rights in the field of the Licensed Products for five (5) years from the date of filing of the patent application in the country first filed.

- D. In the event an invention is made by an employee of USBC jointly with an employee of NCR, the invention will be deemed an invention of NCR and will therefore become part of Schedule A.
- E. Nothing in the foregoing shall give NCR any right with respect to any invention of USBC in:
 - pharmaceutical compound or composition per se,

veterinary compound or composition per Be, cosmetic compound or composition per se, cor pounds or compositions utilized in the Licensed Products area of functional disposable paper products, per se, filtering compounds or compositions per electrical producing or light producing compounds per se, conductive compounds per se, used in the EKG product previously described. ARTICLE V Assignment and Sublicensing This Agreement will inure to the benefit of USBC and of its successors and assigns to the whole of its business pertaining to the Licensed Products, but only if and when such successors and assigns notify NCR in writing that they will assume all obligations herein imposed upon USBC. B. This Agreement will inure to the benefit of NCR and its successors and assigns in title to the Licensed Patents and to the payments herein provided for, but only if and when such successors and assigns notify USBC that they will assume all obligations herein imposed upon NCR. Other than as provided in Sections A and B of this Article, this Agreement will not be assigned, transferred, conveyed or encumbered by either NCR or USBC without the written consent of the other. USBC will grant no sublicenses under this Agreement except to its subsidiaries and designated affiliates and then only upon the same terms as contained in this Agreement, and upon the condition that USEC ' will remain responsible to NCR for the performance by any such subsidiary or designated affiliate of its obligations under its sublicense. 21 200

ARTICLE VI

Termination

- A. In the event of any adjudication of bankruptcy, appointment of a receiver by a cour of competent jurisdiction, assignment for the benefit of creditors or levy of execution for a substantial amount directly involving USBC, this Agreement, and subsequent licenses, if so granted, will thereon terminate.
- B. In the event of breach of any provision of this Agreement, NCR and USBC will each have the right to terminate this Agreement, and the license, if granted, provided that such breach has not been remedied within ninety (90) days after written notice of such breach has been received by either party.
- C. Unless sooner terminated under the foregoing provisions of this Article, this Agreement and license will terminate twenty (20) years after the day and year first written above, at which time the license will be fully paid-up and royalty-free.
- D. No termination of this Agreement will relieve USBC of the duty and obligation to pay in full royalties accrued to the effective date of termination.

ARTICLE VII

Applicable Law - Disputes

- A. In the event of a dispute, the laws of the State of New York will govern.
- B. All disputes arising in connection with the present Agreement in countries other than the United States and Canada shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the Rules.

ARTICLE VIII

Notices

Notices required or permitted to be submitted under this Agreement shall be sent to the following addresses:

Office of the Secretary
The National Cash Register Company
Main and K Streets
Dayton, Ohio 45409

Office of the President United States Banknote Corporation 345 Hudson Street New York, New York 10014

IF AND WHEN USBC MAKES THE ELECTION DESCRIBED IN ARTICLE II HEREOF. THE REMAINDER OF THIS AGREEMENT WILL BECOME EFFECTIVE.

ARTICLE IX

Grant of License

- A. NCR will grant and does hereby grant to USBC a non-transferable right and license to make, use and sell anywhere in the world Licensed Products which use any invention of NCR in Capsules and Encapsulation which is covered by the Licensed Patents or the Know-How.
- B. The license granted in paragraph A of this Article shall be:
 - non-exclusive to USBC in the Licensed
 Product areas of Article I-F, sections
 2, 3, 4, 5 and 6.
 - 2. exclusive to USEC in the Licensed Product area of Article I-F, sections 7 and 8.

 Said exclusive grant shall be exclusive for six (6) years from the date of this Agreement, after which time the license shall become non-exclusive.
- C. NCR warrants that it is the sole owner of all right, title and interest in and to the patents and patent applications listed on Schedule A and has full right to grant such license.

D. USBC accepts said grant and admits the validity of the Licensed Patents for the term of the Agreement; and will not at any time thereafter directly or indirectly infringe the Licensed Patents outside the scope of the Licensed Products, nor dispute the validity thereof, nor directly or indirectly assist any other person in disputing such validity and title during the term of this Agreement.

ARTICLE X Royalty

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A. USBC will pay to NCR as royalty, based upon the Net Receipts of all sales made by USBC during the term of the Agreement, rates dependent upon the Licensed Product manufactured as follows:

Licensed Product as defined in:				Rate	
Article I,	F-1,	F-2 and	F-5.		3%
Article I,	F-3				4%
Article I,	F-4				
Article I,	F-6				3%
Article I,	F-7 a			• • • • • •	3% when exclusive 2% when non-exclusive

- B. Royalties will be due and payable quarterly, and USBC will pay to NCR (Cashier, NCR, Main and K Streets, Dayton, Ohio 45409) on or before the ninetieth (90th) day following the close of the calendar quarter during which the License is in effect, the total amount of royalties due and payable pursuant to Article X, paragraph A on account of its operation under this Agreement.
- alties a written statement showing the total Net Receipts from its royalty-bearing sales during the period covered by such statement. USBC shall maintain, and shall cause its Subsidiaries to maintain proper and adequate records in regard to their sales of Licensed Products, and shall permit such records to be examined by a certified public accountant, designated and paid by NCR, at any reasonable time during business hours to the extent necessary to verify the records and payments provided for hereunder, but said accountants shall not disclose to NCR any information except that

which should properly have been contained in a royalty report.

- Royalties shall be remitted to NCR in U. S. currency or any other currency which is readily convertible into U. S. currency, unless governmental restrictions prevent USBC, its subsidiaries, designated affiliates and sublicensees, from remitting royalty payments from the country in which the relevant sales were made. If such restrictions exist in a particular country, USBC's obligation to remit royalties on sales in such country shall be suspended until royalty remittances are permitted and possible under the laws of that country, provided that NCR shall have the right at any time to request and receive royalty payments in such country in its currency, if permitted by law. Where it is necessary to convert the amount of royalties from one currency into another, such conversion shall be made at the exchange rate for royalty remittances established by official regulations of the country in which the relevant sales were made, in force on the date of the royalty remittance. If there are no such regulations, then such conversions will be made at the rate for royalty remittances on such date, as certified by the First National City Bank of New York. Any tax paid or required to be withheld by USBC, its designated affiliates or sublicensees on account of royalties payable to NCR hereunder shall be deducted from the amount of royalties otherwise due to NCR.
- E. In the event USBC grants sublicenses hereunder to one or more of its subsidiaries or designated affiliates, or in the event of consignments or other transfer of Licensed Products to USBC's subsidiaries or designated affiliates, the Net Receipts of such subsidiaries or designated affiliates, from the final sale of Licensed Products will be considered as Net Receipts of USBC for the purpose of determining royalties, and USBC will pay or cause such subsidiary or designated affiliate to pay the royalties due thereon.

. ARTICLE XI

More Favorable Licenses

A. In the event that NCR grants a license to another under the Licensed Patents for the manufacture and sale of Licensed Products on

royalty terms which are more favorable than those contained herein, NCR will notify USBC of the royalty terms of such other license and, upon written request by USBC, will immediately extend to USBC such more favorable royalty terms for their duration and extent, if USBC is not then in default hereunder and if required by NCR, it accepts and becomes bound by all of the terms, conditions and limitations of such other license and gives consideration of equal benefit to NCR as those received by NCR from such other licensee.

B. The provisions of this Article will not be brought into operation by the grant by NCR of a license to the United States Government, the government of any other country, or any subsidiary of NCR.

ARTICLE XII

Infringement and Invalidity

- A. If during the life of this Agreement USBC establishes to the reasonable satisfaction of NCR that a third party is infringing any of the Licensed Patents by the manufacture or sale of a Licensed Product to the substantial detriment of USBC, and that USBC is then manufacturing or selling Licensed Products under one of the infringed claims, NCR will take action within six (6) months at its own expense to eliminate or abate such infringement, either by persuading the infringer to discontinue such infringement or by licensing such infringer, or by bringing an action against such infringer and prosecuting the same diligently.
- B. If in any court proceeding involving the validity of the Licensed Patents all of the claims under which USBC is then operating are held to be invalid, payment of royalties under Article X hereof will be suspended as of the date of such holding. If in any court proceeding involving any of the claims of the Licensed Patents there is a holding that none of the claims is infringed by a particular product or process, payment of royalties under Article X will be suspended with respect to such product or process if USBC is then producing such a product or using such a process.
- C. If any court holding of invalidity or non-infringement is not appealed or is sustained by a reviewing court of last actual resort, the

royalties so suspended will not thereafter be payable by USBC, but if any such court holding is reversed by a reviewing court of last actual resort, the royalties so suspended will be promptly paid by USBC.

- D. In the event suit is brought against USBC alleging the infringement of any now issued patent owned or controlled by another party which allegation is based on and arises out of the practice, in and of itself, of the claimed inventions of any of the now issued Licensed Patents, NCR will cooperate with USBC in defending said suit. During the pendency of such suit USBC will have the right to withhold payment of one-half of all the royalties due under Article X hereof, and may use the royalties so withheld for reasonable legal and other expenses incurred by it in the defense of such suit; and in the event final judgment is rendered against USBC the balance of the royalties withheld may be applied by USBC to the satisfaction of such final judgment, and any unspent balance of withheld royalties will be paid by USBC to NCR. If the withheld royalties are not sufficient to satisfy said judgment, the balance thereof will be paid by USBC, which may retain one-half of all royalties due thereafter until fully reimbursed for its payment of said judgment.
 - E. The foregoing provisions relating to suspension, non-payment and withholding of royalties will be applicable only in the country or countries in which the Licensed Patents and claims thereunder are the subject of such court proceeding and only with respect to Licensed Products manufactured and/or sold therein by USBC.

IN WITNESS WHEREOF, NCR and USBC have caused this License Agreement to be executed in duplicate by their duly authorized representatives as of the day and year first above written.

THE NATIONAL CASH REGISTER COMPANY

V (/ Allh

UNITED STATES BANKNOTE CORPORATION

By Commett US. Smith Paus.

ACREEMENT

This Agreement made and entered into as of the first day of July 1972, by and among THE NATIONAL CASH REGISTER COMPANY, a Maryland corporation with its principal offices at Main and K Streets, Dayton, Ohio, United States of America (hereinafter called "Dayton"), THE NATIONAL CASH REGISTER COMPANY LIMITED, a wholly-owned subsidiary of Dayton, incorporated in England and having its registered office at 206/216 Marylebone Road, London, N.W. 1, England (hereinafter called "London") and WIGGINS TEAPE LIMITED, incorporated in England and having its registered office at Gateway House, 1, Watling Street, London E.C. 4, England (hereinafter called "WT").

WITNESSETH:

WHEREAS, WT has been manufacturing and selling pressuresensitive products commonly known as "carbonless-papers" under an Agreement among the parties hereto, as amended, dated March 24, 1966; and

WHEREAS, notice has been given to terminate the said Agreement of March 24, 1966 and all agreements supplemental thereto effective June 30, 1976; and

WHEREAS, the parties are desirous of entering into a new Agreement which shall supersede the said Agreement of March 24, 1986, as amended and supplemented, effective July 1, 1972.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements, the parties hereto agree as follows:

ARTICLE I

Definitions

- A. NCR Group: Means Dayton and any other company which is a subsidiary of Dayton.
- B. WT Group: Means WT and any other company which is a subsidiary as defined in Section 154 of the English Companies Act of 1948 of WT.
- C. Pressure-sensitive Products: Means papers, fabrics and other sheet materials on, in or by means of which marks contrasting in color with the color of such papers, fabrics or other materials become visible if pressure is applied whether to a single sheet, layer or band thereof or to two or more sheets, layers or bands thereof comprising or forming part of a pressure-sensitive marking system (other than any such papers, fabrics or other materials which fall within the class of copying

materials commonly known as "carbon papers" and "carbon ribbons") of which the following are two examples:

- (1) a multi-sheet material such as paper which has on or adjacent a surface of one sheet microcapsules containing an oily color reactant for transfer to a second sheet carrying a co-reactant for said oily color reactant to form a legible mark on said second sheet when said sheets are superimposed, one on the other, in such a manner that at least some of the microcapsules of one sheet are in proximity with at least some of the co-reactant material on said second sheet, and pressure is applied, as by a typewriter, sufficient to rupture the microcapsules so that, when this is done, a legible mark appears on the surface of the sheet carrying the said co-reactant material; and
- (2) a sheet, such as a sheet of paper, in which microcapsules containing an oily color reactant are in proximity with a co-reactant material (e.g. a finely-divided solid material), both reactants being present as a part of the sheet, whether with one or both reactants being incorporated within the sheet or coated on the surface thereof; the oily color reactant and the co-reactant material being reactive with each other so that, when the microcapsules are ruptured by pressure applied to the sheet, as by a typewriter, the oily color reactant is released and reacts with the co-reactant material to form a legible mark on said sheet.
- D. Emulsion: Means any pressure rupturable material (here-imafter referred to as "time said emulsion") which can either
- (1) be applied to one or other or both surfaces of sheets, layers or bands of papers, fabrics or other sheet materials which after the manufacture of such papers, fabrics or materials in their original forms has been completed are not pressuresensitive products but which after the application of the said emulsion become pressure-sensitive products, or
- (2) be incorporated in papers, fabrics or other sheet materials during the manufacture thereof so that they become pressuresensitive products.

E. Encapsulation: Means:

- (1) The making of capsules en masse by any process which results in the formation of one or more continuous walls around any nuclei of any state, composition or structure of which the following are two examples:
 - (a) The making of capsules en masse by any process which results in the formation of continuous walls of solid polymeric films around nuclei of any state, composition or structure which process includes at the time of the formation of a deposition around the nuclei the dispersion of the nuclei in a liquid or fluid manufacturing medium in which the polymeric capsule wall

material then in a liquid state is immiscible and which includes the subsequent conversion of the liquid polymeric walls to solid polymeric films;

- (b) The making of capsules en masse by any process which results in the formation of continuous walls of solid polymeric films around any nuclei of any composition which process includes dispersal of the nuclei in a liquid or fluid manufacturing medium with the polymeric wall formed in situ by any chain propagating polymerization reaction wherein such reaction occurs at or near the nuclei interface;
- (2) Any recovery of the capsule as hereinafter defined from the medium; and
- (3) Any treatment of the capsule as hereinafter defined to affect its properties.
- F. Capsule: Means any entity comprising one or more nuclear entities surrounded by a containing wall and made by encapsulation and any material forming part thereof.
- G. Further Conversion Process: Means any process which may be applied to pressure-sensitive products after their original manufacture has been completed such as but by way of example only and not so as to limit the generality of the foregoing the process of making up pressure-sensitive products into continuous stationery or invoice pads but does not mean any of the processes of reeling, slitting and cutting into sheets.
- H. Know-how: Means any knowledge, discovery or invention (whether patentable or not) now or at any time hereafter until July 1st next after notice to terminate has been given, owned or controlled by the NCR Group or the WT Group which relates to, or is being used or could be used in, the manufacture of pressure-sensitive products or in the preparation (including encapsulation), treatment, modification, manufacture or use of any raw material (including capsules), equipment, plant, machinery, processes or means or methods for the design, manufacture or control of pressure-sensitive products.
- I. Patents: Means United States and foreign letters patent currently owned or hereafter acquired during the term of this Agreement by the NCR Group or the WT Group and relating to the know-how.
- J. Manufacturing Territory: Means those countries and territories listed in Schedule 1 hereto as they are presently constituted and those countries and territories within the area edged in red on the map attached hereto as Schedule 2.
- K. Marketing Territory: Means the whole world except the United States and Canada as presently constituted.
- L. Year of this Agreement: Means any year commencing on a July 1 and ending on a June 30 beginning with the year commencing July 1, 1972.

- M. Half Year of this Agreement: Means any period of six months commencing on a January 1 or a July 1 beginning with the half-year commencing July 1, 1972.
- N. Quarter: Means period of three calendar months ending on a March 31, a June 30, a September 30 or a December 31 during any year of this Agreement.

ARTICLE II

License

- A. Manufacturing: Dayton hereby grants to WT an exclusive license under the patents and know-how of the NCR Group to manufacture the said products including the ingredients thereof in the manufacturing territory.
- B. Marketing: Dayton hereby grants to WT a non-exclusive license under the patents and know-how of the NCR Group to sell the said products in the marketing territory.

ARTICLE III

Royalties and Reports

- A. Obligation: WT shall be obligated to pay royalties to Dayton and London with respect to the said products manufactured hereunder when they are
- (1) Sold to any customer who is not a member of the WT Group, or
- (2) Sold to a distributor which is a member of the WT Group, or
- (3) Used by any member of the WT Group for any further conversion process, or
 - (4) Finally used by any member of the WT Group.

The said products manufactured hereunder shall be subject to royalty only once and the net value of the said products for royalty calculation purposes shall be fixed at the time when the first of any of the foregoing events occurs. No royalty shall be payable upon the said products returned by customers, distributors or users.

- B. Rates: Royalties becoming due shall be paid at the following rates:
- (1) During each year of the Agreement from July 1, 1972 through June 30, 1976

- (a) 4% of the net value of the first 20,000 tons (2,000 pounds per ton).
- (b) 3-1/2% of the net value of the next 10,000 tons.
- (c) 3% of the net value of the next 10,000 tons.
- (d) 2-1/2% of the net value of the next 10,000 tons.
- (e) 2% of the net value of all in excess of 50,000 tons.
- (2) 2-1/2% of the net value during the period from July 1, 1976 through December 31, 1977.
- (3) 2-1/4% of the net value during the period from January 1, 1978 through December 31, 1978.
 - (4) 2% of the net value from January 1, 1979 and thereafter.

For the purpose of royalty calculation "net value" shall be WT's relevant list price less discounts, allowances for faulty products, and, where appropriate, charges for packing, freight, insurance, sales taxes, value added taxes and customs duties.

- C. Payments: Royalties shall be calculated quarterly and shall be paid within one calendar month after the end of each quarter. Royalties attributable to the said products manufactured in the United Kingdom of Great Britain and Northern Ireland, the Isle of Man, the Channel Islands and the Republic of Ireland shall be paid one half to Dayton and one half to London in pounds sterling. Royalties attributable to the said products manufactured elsewhere in the manufacturing territory shall be paid one half to London and one half to Dayton in the local currencies of those countries where manufacture took place.
- D. Records and Reports: From time to time WT shall supply to the other parties copies of its relevant price lists together with details of the terms and conditions under which it sells the said products.

WT shall keep all such records and books of account in sufficient detail to enable the royalties payable hereunder to be determined and will permit such records and books to be examined by the other two parties or their auditors at reasonable times, not exceeding once per quarter, to verify the records and payments provided for hereunder.

With each payment of royalties as provided in Section C of this ARTICLE III WT shall supply to each of the other parties a written statement showing the aggregate amount of royalties payable for the quarter covered by the statement.

ARTICLE IV

Emulsion Supply

A. United Kingdom: Under the terms and conditions of a separate Agreement WT has contracted with London to purchase London's Boreham Wood emulsion plant with which it intends to produce emulsion for the manufacture of the said products.

B. Europe:

(1) Supply: During the term of this Agreement WT agrees to buy its requirements (but not to exceed 11,000,000 dry pounds per year) for emulsion for manufacture of the said products in Europe (excluding the United Kingdom and Ireland) from a plant at Leihgestern near Giessen, Germany owned by Dayton's German subsidiary.

All such emulsion shall be produced in accordance with such specifications as WT shall from time to time provide.

In the event the Leihgestern plant is unable to produce all of such WT requirements for any period WT shall be free to produce or buy elsewhere the amounts necessary to meet its requirements during such period in full.

In the event such WT requirements do not utilize the full capacity of the Leihgestern plant, Dayton or its German subsidiary may utilize such excess to produce and sell capsules or an emulsion for use in any products other than the said products.

(2) Price: Representatives of Dayton's German subsidiary (NRK) and WT have met and established a current price for the said emulsion.

Dayton agrees that NRK will sell such requirements (but not to exceed 11,000,000 dry pounds per year) for emulsion to WT at the current price (to be modified if there is a change in the formulation specified by WT to the extent of the cost changes resulting from the change in the formulation) until a permanent pricing formula can be negotiated which shall be done as soon as practicable but no later than July 1, 1973.

As soon as practicable representatives of Dayton, NRK and WT will commence negotiations for such pricing formula to be applied during the term of this Agreement. Such representatives may consider various approaches but in no event will the formula finally adopted result in prices to WT any less favorable than those which it enjoyed under the formula specified in the said Agreement of March 24, 1966, as that formula may have been modified (with reference to emulsion to be produced at the Giessen plant) by correspondence between Dayton and WT. Further, any such formula adopted will contain appropriate provisions for audit.

During the term of this Agreement the emulsion price shall be payable in the same currency as NRK's purchases of the said products from WT.

ARTICLE V

Interchange of Information

- A. General: It is the intent of the parties that there be a continuous, complete and timely flow between the NCR Group and the WT Group of all information constituting know-how and all other information helpful for the development, manufacture or sale of the said products, with the further intent that such information is principally for the benefit of the parties and therefore to be held in confidence except as hereinafter specifically provided.
- B. Disclosure: Know-how and such other information (except such information as a party may have received in confidence from a third party containing a restriction against further disclosure) will be disclosed among the parties from time to time in such manner as set forth in such general rules as the parties have adopted and might hereafter adopt consistent with the general intent as provided in Section A of this ARTICLE. It is expressly understood however that such information to be so disclosed will include all such know-how and other information withheld by either the NCR Group or the WT Group since July 1, 1971.
- C. Confidential: All know-how and such other information disclosed pursuant to the foregoing provisions of this ARTICLE is of a confidential nature and the parties will take all reasonable precautions to prevent the disclosure to third persons of any of such information except that the NCR Group and the WT Group shall be tree to disclose such information:
- (1) To any person to the extent necessary to enable it to exercise its rights and licenses hereunder;
- (2) To any research institute in confidence containing restrictions against further disclosure to a third person; and
 - (3) Which comes into the public domain,

Notwithstanding anything provided in this ARTICLE or any general rules adopted by the parties to the contrary, no party shall disclose or use any know-how or other information which when disclosed to it was identified as intended for patenting, in any manner which might jeopardize the obtaining of a patent with respect thereto by the party who made the original disclosure. Each party receiving such confidential information will disclose it only to those of its employees whose work requires them to know and will instruct such employees as to the obligations contained in this paragraph.

D. Use: The WT Group shall have the right to use such know-how and other information disclosed to it in accordance with the provisions of ARTICLE II of this Agreement.

The NCR Group shall have the right to use such know-how and other information disclosed to it:

- (1) for the manufacture of the said products anywhere except the manufacturing territory
 - (2) for the sale of the said products anywhere in the world.
- E. Effects of Termination: The rights to use the know-how and other information (except any covered by patents) disclosed under this Agreement shall not be affected by termination of this Agreement.

The obligations of confidence contained in this ARTICLE will survive any termination of this Agreement.

Effective the 1st of July following the giving of a notice of termination as hereinafter provided, the obligation to disclose such know-how and other information as shall have come into being after such July 1st shall cease.

ARTICLE VI

Patents

- A. Existing Patents: As soon as practicable but no later than August 1, 1972
- (1) Dayton shall supply WT with copies of NCR Group patents relating to know-how; and
- (2) WT shall supply Dayton with copies of WT Group patents relating to know-how.
- B. WT Group Rights: WT shall receive licenses pursuant to ARTICLE II hereof with respect to all patents obtained or acquired by the NCR Group prior to or during the term of this Agreement relating to know-how and which are necessary or desirable for the manufacture of the said products. Such licenses terminate upon the termination of this Agreement as hereinafter provided.

As soon as it may legally do so without jeopardizing the validity of any pending or future patent application relating to know-how Dayton will furnish WT with details, including copies of such patent applications.

C. NCR Group Rights: Dayton shall receive royalty-free non-exclusive licenses (except to manufacture the said products in the manufacturing territory) under all patents obtained or acquired by the WT Group prior to or during the term of this Agreement relating to know-how and which are necessary or desirable for the manufacture of the said products. Such licenses may be used by the NCR Group only and only for the said products. Such licenses terminate upon the termination of this Agreement.

As soon as it may legally do so without jeopardizing the validity of any pending or future patent application relating to know-how WT

will furnish Dayton with details, including copies of such patent aplications.

D. Sublicensing by Dayton: If at any time Dayton has or makes an agreement with another person for the licensing of the NCR Group's know-how and patents for the manufacture and sale of the said products Dayton will notify WT and such other licensee of the existence of the respective licenses and will arrange for consultation between WT and such other licensee relating to the sublicensing of patent rights. both parties thereto agree, as evidenced by their filing written consents with Dayton, Dayton will grant appropriate sublicenses without additional royalty to the other licensee of the licenses it receives from WT hereunder and vice versa.

ARTICLE VII

Infringements

A. Of NCR Group Patents in Manufacturing or Marketing Territories: If Dayton or WT is of the opinion that anyone is infringing patents of the NCR Group in the manufacturing or marketing territories Dayton and WT will consult together as to whether it is desirable and practicable to proceed against the infringer.

If it is mutually agreed to institute proceedings Dayton and WT will share the expenses of prosecution and damages or other compensation recovered.

If it is not mutually agreed to institute proceedings Dayton or WT may if it so wishes proceed alone at its own expense and any recovery shall belong solely to it but the other of them shall, upon being indemnified against costs and damages, give all assistance and do all things necessary to enable it to proceed with the litigation.

B. Actions against WT: If suit shall be threatened against WT charging that its manufacture or sale of the said products produced under the know-how of the NCR Group infringes a third party's patent Dayton and WT shall consult on the matter and Dayton shall decide whether WT shall take a royalty bearing license, payments for which may be set off against up to one-half of the royalties payable hereunder, or whether to let the matter proceed to litigation.

In the event suit shall be brought against WT alleging the infringement of any third party's patent by the manufacture or sale of the said products produced by WT under the know-how (all or in part) and on any patent of the NCR Group, Dayton shall cooperate with WT in the defense of such action.

During the pendency of such action WT shall have the right to withhold one-half of the royalties due and payable to Dayton and London and to apply the same against the legal and other expenses incurred in the defense.

In the event judgment is rendered against WT, WT may thereupon withhold all of the royalties due and payable and to become due and payable hereunder and to apply the same against the judgment and any unrecovered balance of legal and other expenses of the suit until all of these items are fully satisfied.

If under the terms of the judgment or in a settlement prior to judgment it is necessary for WT to accept a royalty-bearing license in order to be able to continue the manufacture and sale of the said products at quality and cost levels comparable to those prior to the judgment WT may withhold:

- (1) Up to one-half of the royalties due and payable and to become due and payable hereunder and apply the same toward the satisfaction of the said royalty bearing license if said infringement and resulting license involved the non-patented know-how of the NCR Group; or
- (2) All of the royalties due and payable and to become due and payable hereunder and apply the same toward the satisfaction of the royalty bearing license if said infringement and resulting license arose from a holding of invalidity of a patent of the NCR Group.

Dayton shall have no liability to WT under this section B beyond the royalties permitted to be withheld.

C. Of WT Group Patents in United States and Canada: If Dayton is of the opinion that any one is infringing in the United States or Canada any of the licenses granted to Dayton by WT under Section C of ARTICLE VI hereof WT, upon being indemnified against costs and damages, shall give all assistance and do all things necessary to enable Dayton to prosecute the infringement.

ARTICLE VIII

Termination

A. Breach: WT and Dayton will each have the right to terminate this Agreement and the license hereby granted at any time in the event of breach by the other of any of the provisions of this Agreement, provided that such breach has not been remedied within ninety (90) days after written notice of such breach has been received by WT or Dayton as the case may be.

. In the event the Agreement is terminated WT shall nevertheless have the right to dispose of all stock of the said products previously manufactured upon payment of royalties and observance of the other terms and conditions of this Agreement.

B. Consultation: During any year in which notice of termination may be given as provided in Section C of this ARTICLE Dayton and WT shall have discussions as to whether or not this Agreement should be revised. Such discussions shall be held during the period between January 1st and March 31st of each such year at such time and place as Dayton and WT might agree.

- C. Optional Termination: In the event the NCR Group sells all or substantially all of its business relating to the said products and WT is unwilling to consent to the assignment of this Agreement to the purchaser WT shall have the option to terminate this Agreement upon one year's prior written notice. In the event of termination under this section WT shall nevertheless be free to continue to manufacture and sell the said products under the know-how and patents being used by it at the time of such termination.
- D. Term: Unless terminated earlier as provided in Section A or Section C hereof this Agreement shall continue in force through June 30, 1980 and thereafter; provided however WT or Dayton may terminate this Agreement effective July 1, 1980 or any July 1 thereafter upon not less than thirty-six (36) months nor more than thirty-nine (39) months prior written notice.

ARTICLE IX

Miscellaneous Provisions

- A. Unfulfilled Demand: If Dayton or WT are of the opinion that there is a substantial unfulfilled demand for the said products in any part of the manufacturing territory they will consult together on ways and means of alleviating this demand.
- B. Notices: Notices required or permitted under this Agreement may be sent by registered air mail to the principal or registered offices of the parties and shall be deemed to have been served on the seventh day after being duly posted.
- C. Use of Name: During the term of this Agreement WT is free to use the name or names used by Dayton or London for the said products.
- D. Parties: The rights and obligations provided in this Agreement shall inure to the benefit of and be binding upon the signaturies hereto and their subsidiaries.
- E. Assignments: Without the written consent of the others none of the parties shall have the right to assign or otherwise transfer its rights or obligations under this Agreement except an assignment or transfer to a successor in interest by merger, by operation of law, assignment, purchase or otherwise of the entire business of Dayton or WT; provided, however, that such successor expressly assumes and agrees to perform all of the obligations herein contained.
- F. Sublicenses by WT: WT shall not without the prior consent of Dayton, which shall not be unreasonably withheld, grant any sublicenses in respect of its rights hereunder except that WT shall without such consent be entitled to grant such a sublicense to Papeteries de Virginal S.A. in substitution for the rights granted to it by WT in accordance with a consent given by Dayton and dated January 15, 1970.

- G. Headings: The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement or any ARTICLE or section hereof.
- H. Counterparts: This Agreement may be executed in three counterparts, each of which shall be deemed to be an original.
- I. Superseding Agreement: Upon execution hereof, this Agreement supersedes, effective July 1, 1972, the Agreement among the parties dated March 24, 1966 and all amendments and supplements thereto; provided however that the said prior Agreement and all amendments and supplements thereto remain in full force and effect:
- (1) with respect to any right or obligation thereunder which accrued prior to July 1, 1972; and
- (2) in respect of the rights granted thereunder by WT to Papeteries de Virginal S. A. in accordance with a consent to such grant given by Dayton and dated January 15, 1970.
- J. Construction: Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.
- K. Governing Law: This Agreement shall be deemed to be a contract made under the law of the State of New York, United States of America and for all purposes it shall be construed in accordance with and governed by the law of such state.
- L. Arbitration: Any disputes arising in connection with this Agreement which the parties are unable to settle by agreement shall be settled by arbitration under the Rules of the International Chamber of Commerce. Any such arbitration shall be held in London in the English language and judgment upon the award of such arbitration may be entered in any court having jurisdiction in the matter.

IN WITNESS whereof the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

to be duly executed as of the day	y and year first above written.
ATTEST: Secretary Secretary	THE NATIONAL CASH REGISTER COMPANY By Whit Stellara Title Garman
(Seal)	The Common Seal of THE NATIONAL CASH REGISTER COMPANY LIMITED was hereto

(Seal)

Secretary

Director

The Common Seal of WIGGINS TEAPE LIMITED was hereto affixed in the presence of:

Director

Secretary

SCHEDULE 1

Antigua Guyana Hong Kong Commonwealth of Australia and its Territories The Republic of India Bahamas Islands Jamaica Bangladesh Kenya Barbados Lesotho Bermuda Malawi Botswana Malaysia British Antarctic Territory Mauritius and its Dependencies British Honduras Montserrat The British Indian Ocean The New Hebrides Territory · Dominion of New Zealand and The British Solomon Islands her Island Territories Protectorate The Federal Republic of Nigeria The British Virgin Islands The Republic of Pakistan The State of Brunei Pitcairn Islands Group The Cayman Islands Rhodesia The Central and Southern Line Islands St. Christopher-Nevis-Anguilla Ceylon The Island of St. Helena and its 'Dependencies Cyprus St. Lucia Dominica St. Vincent The Falkland Islands and Dependencies Seychelles Fiji Sierra Leone The Gambia Singapore The Republic of Ghana

The Gilbert and Ellice Islands

Grenada and the Grenadines

Colony

The Republic of South Africa

South West Africa

Southern Yemen

SCHEDULE 1 (cont'd.)

Swaziland

The United Republic of Tanzania

The Kingdom of Tonga

Trinidad and Tobago

Turks and Caicos Islands

Uganda

Western Samoa

The Republic of Zambia

From: MICHELLE BYRD (901)419-3803 INTERNATIONAL PAPER 6400 POPLAR AVENUE

MEMPHIS, TN, 38119



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